

A U S T I N C I T Y C O U N C I L
AGENDA

Monday, September 11, 2006

+ Back Print

**Budget
RECOMMENDATION FOR COUNCIL ACTION****ITEM No. 11**

Subject: Approve a resolution adopting the Austin Convention and Visitors Bureau (ACVB) 2006-2007 Marketing Plan and proposed budget in the amount of \$8,159,156, set the contract payment from the City of Austin to ACVB at \$6,750,040 for the Fiscal Year 2006-2007, approve negotiation and execution of a new agreement between the City of Austin and ACVB for a five-year term beginning October 1, 2006 and ending September 30, 2011, and direct the City Manager to file the approved documents with the City Clerk's office as required by the Texas Tax Code.

Amount and Source of Funding: Funding in the amount of \$6,750,040 is available in the Fiscal Year 2006-2007 Proposed Operating Budget for the Tourism and Promotion Fund. The Fiscal Year 2006-2007 Tourism and Promotion Fund is attached. Funding for the remaining \$1,409,116 of the ACVB budget is available from the sources shown in the attachment.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

Additional Backup Material

(click to open)

- ☐ **ACVB Marketing Plan 2006-2007**
- ☐ **ACVB Contract**
- ☐ **ACVB Proposed Budget for 2006-2007**
- ☐ **Fund Summary**

For More Information: Robert Hodge, Director, Austin Convention Center, 404-4040; Larry Anderson, Chief Financial Manager, Austin Convention Center, 404-4055; Bob Lander, Executive Director, ACVB, 583-7201.

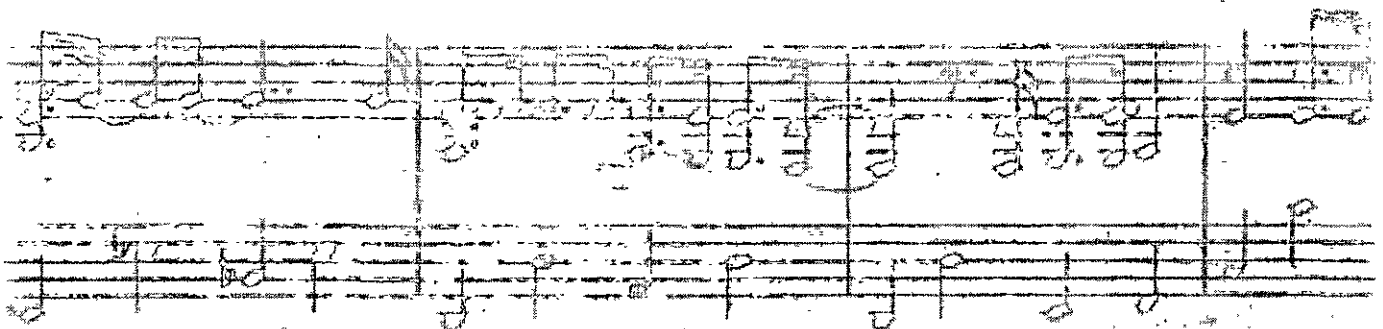
The Marketing Plan and budget for Fiscal Year 2006-2007 were submitted by ACVB as required by their contract with the City of Austin.

This Council proposed action approves the 2006-2007 ACVB Marketing Plan, proposed budget in the amount of \$8,159,156 for Fiscal Year 2006-2007, and negotiation and execution of the new agreement between the City and ACVB. Upon approval of this resolution, the ACVB contract will incorporate the newly approved budget and marketing plan.

ATTACHMENTS: (1) proposed Fiscal Year 2006-2007 budget for ACVB (2) 2006-2007 Tourism and Promotion Fund (3) 2006-2007 Marketing Plan for ACVB (4) Agreement between the City of Austin and ACVB



MARKETING PLAN 2006-2007





MESSAGE FROM THE PRESIDENT



Austin stands poised to enter one of the most exciting times in the local hospitality industry's history. The optimistic forecast from all areas of tourism—meetings, business and, particularly, leisure—present the Austin CVB with myriad opportunities to truly promote Austin as one of the country's premier destinations.

With a rebounded economy and Americans traveling in record numbers—despite record prices at the pumps—hotels are again experiencing occupancy rates in excess of 70 percent. The new Blanton Museum of Art, which opened its first phase in April and expects to open the second phase next summer, gives visitors a new attraction and forms the cornerstone of the city's first official museum district. The new Second Street retail district fills a need among both leisure tourists and convention attendees for more downtown shopping options. A changing meetings marketplace, as many planners now prefer to book their business with second tier cities rather than traditional first tier destinations, also bodes well for Austin.

As we prepare for the busiest summer convention season in our history—with some 45,000 attendees in July 2006 alone—we look forward to the start of the next fiscal year. After several years of restricted corporate budgets following the national security and economic events of 2001, I am pleased to state that the hospitality industry has finally turned the corner.

The increase in hotel occupancy naturally translates to an increase in hotel tax receipts and an increased budget to market Austin. This plan reflects the core marketing initiatives and strategies that we deem necessary to bring us back to the level of activity where we were in FY 2000-01. *However*, due to the many setbacks that we experienced by five years of limited marketing, particularly with national advertising and promotions, we are also submitting an "Optimal 2006-2007 Marketing Plan," as prepared by Kolar Advertising in collaboration with Sanders/Wingo.

In other words, one plan addresses the basics of what we can do with our proposed budget; the other, a zero-based plan, addresses what we should be doing in a market of this size to effectively promote Austin as a major national convention and tourism destination. This supplemental plan also directs particular emphasis on multi-cultural markets, both for leisure visitors and meetings.

According to national reports, Austin is perfectly positioned to accommodate 75 percent of the entire meetings business in this country. The infrastructure that forward-thinking city officials put into place to build this industry has done just that. However, we still need to spread the word that we have ample exhibit space in our Austin Convention Center; that we have sufficient, and increasing, hotel space; and that our airport—truly one of the best and most convenient in the nation—offers plenty of flight options from every part of the country.

Many of the initiatives that you will find in this plan address the above challenge. Just as we increased our sales marketing efforts in the Washington, DC and Northeast corridor this year, we propose doing the same in the Chicago and Midwest region during the upcoming fiscal year. We also added a sales manager to handle the growing demands of the multi-cultural market this past year. The successes that we experienced in the sports events market during 2004-05 led us to form the Austin Sports Commission to aggressively pursue youth, amateur and professional sports opportunities for Austin.

We present this plan as an opportunity to inform you about our destination marketing activities as we look forward to a successful year for the City of Austin, Austin CVB and all of our hospitality industry partners.

Bob Lander
PRESIDENT & CEO
AUSTIN CVB

MARKETING PLAN 2006-2007

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MISSION & OBJECTIVES

MISSION

The Austin Convention & Visitors Bureau is charged with marketing Austin nationally and internationally as a premier business and leisure destination, thus enriching our community's overall quality of life.

OBJECTIVES

The Austin MSA attracts some 17 million visitors annually, who spend \$2.8 billion and leave a \$2.45 billion impact on the regional economy (*City Tourism Impact: The Economic Impact of Travel & Tourism in Austin, Texas*, Global Insight, Feb. 2, 2005). As the city's sixth largest economic sector, tourism is recognized as one of the brightest spots on Austin's economic landscape. With the expanded Austin Convention Center, major convention center hotel and another 1,000 new hotel rooms that opened in summer 2006, Austin maintains improved visibility in the national marketplace as a prime meetings destination. The city is currently positioned to handle 75% of the nation's convention business. Austin CVB presents this 2006-07 Marketing Plan to be implemented as the approved budget allows. The plan focuses on generating business from meetings and conventions, group tours and individual leisure visitors. In pursuit of its mission, the Austin CVB seeks to:

- ★ Increase the demand in the Austin MSA for hotel rooms, attraction visits, package tours, retail sales, restaurant receipts, local transportation and other events and activities that positively affect the economic impact of the local tourism industry
- ★ Boost the demand for and usage of the Austin Convention Center by out-of-town groups and special events that, in turn, draw attendees to stay overnight in Austin hotels
- ★ Through the Austin Music Office, promote Austin music worldwide with national and international media exposure, by booking live music acts for conventions and corporate meetings, and by encouraging patronage of Austin music venues
- ★ Support the economic viability of Austin's growing film industry through activities of the Austin Film Office that assists in scouting locations, logistics and permits, maintaining industry databases and administering web-based locations program
- ★ Gain national and international media exposure for Austin's diverse attractions, unique features, lifestyle, history, local personalities and natural environment
- ★ Support and contribute to the enrichment of Austin's multi-cultural, performing and visual arts, historic, recreational, educational, sports, business and entertainment communities



AUSTIN CONVENTION & VISITORS BUREAU

The Austin Convention & Visitors Bureau is a private, non-profit 501 C-6 corporation contracted by the City of Austin to market the city as a convention and tourism destination. In addition, under terms of this contract, Austin CVB also houses the Austin Film Office, the Austin Music Office and a Heritage Marketing department.

Austin CVB is funded predominantly through a portion (1.45 cents) of the 15% hotel occupancy tax. The Bureau operates on a fiscal year calendar from October 1 through September 30. To accomplish its mission and objectives, the Bureau seeks partnerships with hotels, Austin Convention Center, tourist attractions, private sector businesses, publishing and media companies, airlines, car rental companies and others.

STATE OF THE INDUSTRY

Travel in all areas—meetings, corporate and leisure—continues to grow, resulting in hotel occupancies exceeding 70% citywide. The biggest growth is in leisure tourism. People continue to travel in record numbers, still preferring shorter, multiple trips throughout the year. Experts label the newest travel trend as “togetherness” to describe the practice of traveling primarily to enjoy family and friends, but not necessarily making family visits. Examples of this are multi-generational cruises, girlfriend getaways, mother and daughter spa visits, father and son golf vacations, etc.

National media attention on the city remains positive, particularly regarding the music, University of Texas athletics, filmmaking and cultural scene. This publicity complements efforts by the Austin CVB staff to “sell” the city. However, within the meetings and convention industry, perceptions about the city are still somewhat vague. While meeting planners generally don’t harbor negative connotations of Austin, they don’t really know much about it as a destination. Therefore, it is crucial that Austin CVB boosts advertising and promotional efforts to infiltrate the market with a distinct and memorable message.

Strong marketing efforts by Austin CVB promote Austin as an “emerging” new destination for meetings and conventions and tout the “compact” convention package of having an expanded Austin Convention Center in close proximity to 5,500 downtown hotel rooms and four major entertainment/ dining/ retail districts. On the leisure side, Austin’s music, recreation, culture, lakes,

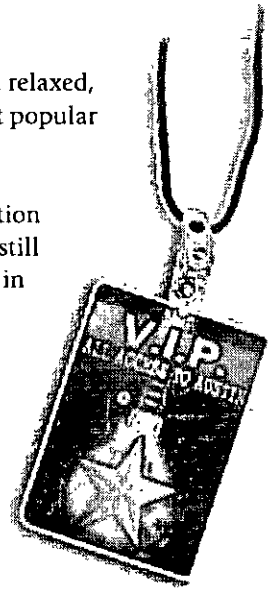
surrounding Hill Country and relaxed, eclectic nature remain its most popular draws.

Following a successful convention year in FY 05-06, Austin CVB still looks to fill a number of voids in 2007. As predicted for the past couple of years, 2007 remains a soft convention year across the nation. However, building on the achievements of this current year, particularly the busy summer season when more than 100,000 people attended events in June and July, the Bureau expects several tentative pieces of business for 2007 to turn definite and for the year to end strong. As of May 2006, the Convention Sales department had recorded an increase of more than 10,000 tentative room nights than from the same time period in May 2005. For most of FY 05-06, hotels throughout the city have experienced an increase of at least 13% in occupancy and around 20% in revenue over the same time period of the previous fiscal year. However, challenges remain in the years ahead. Among the many concerns facing the convention sales staff are increased competition, attrition, shorter booking cycles and an overall decrease in convention attendance nationwide.

Austin CVB continues to scrutinize all programs and direct careful attention to those that do not directly impact hotel occupancy. As in the past, we rely heavily on industry partners to help leverage our presence in advertising, tradeshow and promotional programs. During this past fiscal year (FY 05-06), we adjusted our budget following an overage in hotel-motel tax receipts. These supplemental funds allowed us to place advertising in convention trade publications, which we had not originally planned. Our efficient and accountable fiscal controls are carefully monitored by Austin CVB’s Board of Directors to ensure that we invest resources carefully in cost effective marketing and sales programs.

MEETINGS & CONVENTIONS

The goal of our Convention Sales staff is two-fold: aggressive long-term pursuit of large groups to the Convention Center and solid penetration of the short-term group market for individual hotel business. Primary market segments are national and state associations,



sports, religious, government and multi-cultural groups. During calendar year 2006, there are 59 conventions filling the convention center and multiple hotels, with the possibility of another 3 groups that may also contract business. However, year-to-date (6/7/06), the outlook for 2007 changes drastically, with only 27 definite groups on the books and another 16 considered as tentative. While a red flag was raised about three years ago about 2007 and 2008, the shortened timeframe and lack of funds to aggressively market as needed prevented progress from being made for these two years.

Hoping to circumvent that problem in the future, the Sales Department has since implemented an innovative Trends Analysis Projection that forecasts convention bookings ahead for eight years, thus identifying soft spots in the calendar and tracking the pace of bookings

In the meantime, the Convention Sales Department continues to build on the successful Texas association market and take advantage of the increased demand in the marketplace for destinations to host mid-size conventions. With that goal, Austin CVB increased marketing efforts in 2005-06 in the Washington, DC national association market by hiring a second sales manager and plans to do the same in 2006-07 in the productive Chicago and Midwest market by reopening a Chicago area satellite office.

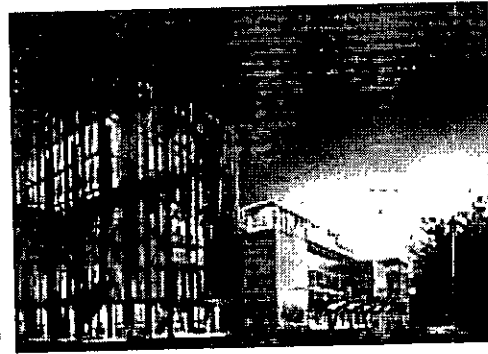
Responding to requests from the community and action from Austin CVB Board of Directors, the Bureau launched the new Austin Sports Commission to aggressively pursue youth, amateur and professional sports competitions and sporting events. During the upcoming fiscal year, the Sports Marketing staff will work closely with other Convention Sales Managers as a team to book events during soft periods with more hotel availability and reduced rates that appeal to that particular market.

CUSTOMER SERVICE

Whether convention delegates or vacationing families—it's all about the "visitor experience." And Austin CVB's award-winning Convention Services team, complete with some 30 part-time registration assistants, and the knowledgeable staff of the Austin Visitor Center all work diligently to insure the best visitor experience possible.

Now competing in a national arena for business to fill the expanded Convention Center and area hotels, Austin CVB is negotiating with groups that expect an elevated level of service and additional incentives that had not previously been required. This greatly impacts the staff and budget in order to meet expectations under current funding levels. Commitments made in the past in order to attract high-profile, multiple-year national conventions are coming due, and additional funds are necessary to meet those obligations. Meeting planners expect and demand results

from the destinations and are increasingly tasking CVBs to step up to the plate.



Austin CVB's Convention Services Department consistently stands out as a shining star by delivering an outstanding level of personal assistance at every step of the meeting process, from preliminary visits with meeting planners to on-site execution of the event. We supply additional resources

for the convention groups through collateral materials, housing and registration assistance and on-line materials. Among its marketing initiatives for the upcoming year, the department plans to develop a comprehensive digital services kit, available online or on CD.

Two years ago, Austin CVB moved the Austin Visitor Center to Sixth Street to better serve the needs of visitors. In doing so, we also received recognition for our efforts in preserving and renovating the historic Grove Drug building. While the Visitor Center's walk-in traffic increased, the biggest success of the new location has been the growth in retail sales. Gross revenue receipts have risen 74% over the past two fiscal years. The center continues to expand the retail component and explore new revenue sources with the goal of eventually becoming self-funded.

MARKETING COMMUNICATIONS

Austin continues to benefit from outstanding media coverage. Prime editorial coverage during the past year included features stories in *Men's Journal*, *Gourmet*, *Conde Nast Traveler*, *Southern Living* and *National Geographic Adventure*. In addition, the *Food Network*, *HGTV*, *Travel Channel* and several film crews from the BBC and Irish national television all featured segments on Austin.

The Marketing Communications Department proactively pursues national, regional and local media coverage through an ongoing schedule of press releases, media visits and familiarization tours. During the upcoming fiscal year, the department adds back in several tradeshow and media missions that had been cut in previous years, as well as adding a third media FAM tour. As the current image gallery dates to 1998, the department requires new photography and new video stock footage to effectively respond to media requests and provide adequate collateral materials for staff use.

Austin CVB unveiled a completely new website in early fall 2005. Since that time, website traffic has increased 83%. We work continuously to improve, upgrade and



enhance the marketing tools on our website, including the addition of a new interactive map program in summer 2006. Plans for the upcoming year call for an

aggressive e-commerce offerings on the website through our marketing partnership with Weaver Multimedia and the addition of a download music program.

LEISURE TOURISM

In the leisure travel market, consumers continue to plan shorter, regional vacations to nearby drive markets, which bodes well for Austin. Our biggest competition for leisure travelers comes from neighboring Texas cities. This year's plan allocates more funds to innovative promotions and advertising, including cable television and radio schedules, in order to keep pace with the marketing programs of those cities.

With Austin's increased visibility in the national media and trends showing an increase in regional travel, leisure tourism represents the greatest area of growth for Austin. We see this as an opportunity to pique the interest of domestic and international tour operators who have not explored this market and to increase the number of individual leisure trips, particularly through travel packaging. It also allows us to leverage our partnerships with local attractions and neighboring Hill Country towns to boost regional marketing efforts.

We currently receive an average of 2,000 requests per week for information about Austin. We have begun strategically mining those requests through our new database management system. In addition to responding to these inquiries by mailing travel packets, we follow up with e-mail blasts offering travel packages, special hotel offers, announcements of festivals and other events.

HERITAGE MARKETING

Another area for potential growth comes from heritage tourism, a large segment of the \$40 billion Texas tourism industry (*Texas Historical Commission*). By extending and enhancing the programs of our Heritage Marketing Department, we can direct more travelers toward experiencing Austin's unique heritage and culture. For the past two years, *AmericanStyle* magazine recognized Austin as one of the country's top cultural destinations.

FILM & MUSIC MARKETING

MovieMaker magazine declared Austin as the top city in North America for filmmaking in 2004 and the second best in 2005 and 2006. For six consecutive years, Austin's film budgets have totaled more than those for all the rest of Texas cities combined. Austin CVB's Film Office capitalizes on the city's popularity as a leading film location. This past year, the department successfully launched "Reel Scout," a web-based scouting program highly praised by the film industry. The Film Office also published *Austin Film Guide* and plans to update that guide with an online, downloadable version in FY 2006-07.

In recognizing and promoting Austin as the "Live Music Capital of the World," Austin CVB aggressively markets the local music community to convention groups, organizations and media. In doing so, we will book at least 250 local acts for meetings and events during this fiscal year. The Music Marketing Manager works closely with the music community to provide continued support and explore new promotional opportunities to utilize one of the city's greatest assets. The Music Office assisted city officials in successfully planning, promoting and producing the first annual Austin Latino Music Month this past May. In addition, this department produces a compilation CD of Austin music that is used as a primary promotional tool by the ACVB staff at tradeshow, as client gifts and for media distribution.

CONVENTION SALES

MISSION

The Convention Sales Department promotes Austin as a premier meetings and convention destination to meeting planners throughout the world. The primary objective is to generate meeting and convention business for Austin hotels, the Austin Convention Center and other meetings venues in the greater Austin metropolitan area.

CONVENTION SALES OVERVIEW

The meetings and convention market segment continues to evolve and change at a rapid pace. With Austin's current hotel inventory and convention center capacity, the city is capable of handling up to 75% of the known market. Even more advantageous for Austin, this market is made up of one of the strongest and most coveted segments of the industry—the small-to-medium tradeshow and convention business.

In recent years, first-tier mainstay destinations such as Chicago, New Orleans, Las Vegas and Orlando all experienced significant shifts in the traditional business base. These destinations were developed to host the large "mega" shows due to hotel and convention center capacities. However, the ripple effect of a continually volatile economy has impacted the "mega" show business.

Adding to this changing marketplace, many destinations like Austin have successfully invested in local infrastructures, such as convention centers, city supported headquarter hotels, as well as good and services, required to compete in the market.

The first-tier cities previously mentioned now find themselves competing against cities they would not normally be positioned against in the bid process. This



change has created great opportunities for destinations not previously considered as locations for more mainstream meetings.

Unique among these emerging destinations, Austin sustains a consistently positive appeal factor on a national level that is in line with the key considerations sought by clients. These considerations are:

- **Safe and walkable downtown**
- **Compact and diverse hotel package**
- **Unique and accessible entertainment districts**
- **Interesting attractions**
- **Good accessibility**
- **A destination with original flavor that provides a memorable experience for the visitor**

The Convention Sales department continues to develop strategies and tactics to raise the awareness of Austin as a premier meetings and convention destination and to develop a business mix with a greater share of the national association market.

STATE OF THE INDUSTRY

In doing business, the meetings and convention market currently faces four major issues:

- Changes in booking cycle
- Increased competition and inventory
- Managing attrition and ultra-conservative room block approaches
- Market production shift due to rebounding economy

Changes in booking cycle

Changes in booking cycles remain an issue, with planners delaying the signing of agreements until closer to actual dates of the events. This, however, creates opportunities for the Austin CVB to book groups that are looking at dates 2-5 years out. Targeting a five-year window from 2007-2011, we have implemented an aggressive prospecting campaign to promote Austin to organizations that have not yet committed to other destinations. With significant interest expressed in Austin for these years, we need to continue driving our marketing message home and move this interest forward to confirmed business.

Increased competition

The market remains crowded with emerging and existing destinations vying for the same business opportunities. New inventories of expanded convention centers and newly built convention hotels continue to develop nationwide. This increased inventory creates additional demand in an extremely competitive environment. To offset this, we coordinate an advertising campaign with prospecting, sales programs and direct sales efforts, in conjunction with a new e-marketing system, to deliver the message of Austin's unique attributes as a meeting site, including the diverse music and cultural scene. Additionally, we work in conjunction with Convention Services to offer booking incentives or concessions to appropriate groups during the bid process.

Managing attrition/ ultra-conservative room blocks

Due to the increased availability of internet booking engines, organizations face the issue of attendees booking rooms outside of their contracted room block during conventions and meetings. This results in monetary penalties and relationship challenges between the clients and the hospitality community. We are working with groups to minimize the effects of this trend. Austin CVB staff aggressively researches and validates an organization's history prior to its programs in Austin. In doing so, we identify potential issues and proactively seek solutions for them. We are currently checking histories of groups meeting within the next two years to determine if we need to adjust room blocks or convention center space. This could free up space to book additional business into Austin.

Conversely, many clients hesitate to sign room blocks with more properties than the headquarter hotel, even if their history shows that they traditionally need more rooms. As a result, many groups block fewer hotel rooms than the demand. Therefore, when reservations begin for convention housing, the Bureau scrambles to locate additional rooms at the last minute and often deals with a lack of available inventory and preferred rates.

Market segmentation production shifts due to the strength of the economy. Therefore, markets that produced well for Austin over the past several years during a struggling economy may no longer be viable markets. As a result, we have increased our presence in viably producing markets for Austin and aggressively pursue any and all opportunities for convention business in these markets, both short term and long term. Additionally, as Austin hotel occupancy and rates continue to rise, hotels hesitate to offer maximum room blocks and necessary rates to secure convention business in future years. This could significantly impact our production.

DEPARTMENT OVERVIEW

The responsibilities of the Sales Team members are divided by both region and group type. We recently realigned our team to better address the priorities outlined above. The Convention Sales staff is as follows:

TITLE	NAME	ASSIGNED MARKETS
Director of Sales	Mary Kay Hackley	
Dir., Eastern Regional Sales	Mark Szymczak	Mid-Atlantic
Dir., National Accounts	Meredith Parkins	Mid-Atlantic
Account Director	Laurie Hartz	Midwest
Account Director	Maurice McCloney	Southeast; African-American
Account Director	Donna Cottle	Govt., Religious
Account Director	Alysia Tata	West Coast; University of Texas
Account Director	Shannon Cannon	Texas
Executive Director, ASC	Craig Jenkins	Sports
Account Director	Matthew Payne	Sports
Executive Meetings Mgr.	Allison Cooksley	Groups Under 150 Peak Rooms

Sales Analyst/Program Mgr. Christine Cramer
Key operator of sales automation system; responsible for all monthly sales reporting and analysis as well as all ad hoc sales reports; responsible for coordination of all Convention Sales programs

**Propose increasing sales efforts in the coming fiscal year to include the following positions:*

Director, Midwest Regional Sales	Open position	Midwest (based in Chicago)
Executive Meetings Mgr.	Open position	Groups under 150 peak rooms (market region will be split with existing executive meetings manager)

SALES GOALS & INITIATIVES, 2006-2007

	FY 2004/2005	FY 2005/2006	FY 2006/2007 *
Annual Goal	400,000	410,000	420,000
"A" Business Goal	220, 995	228, 000	231,000
"B" Business Goal	149, 893	152,000	155,400
"C" Business Goal	29, 112	30,000	33,600

SALES ACTIVITIES, 2006-07:

Site Visits	80
Tradeshows	22
Sales Missions	13
Familiarization Tours	2
Partnered Events	10

** Reflects change in ACVB definite booking procedures in upcoming fiscal year. For citywide conventions, we will begin claiming definite when we have signed convention center contract and/or headquarter or primary hotel contract. We will conduct necessary due diligence on the front and back end of the process in verifying history to assure that groups are blocked accordingly. As this is a ramp-up year, we will conservatively increase our goals for the upcoming fiscal year and will be more aggressive in future years.*

Goal 1: Allocate sales personnel to regions/market segments not adequately covered

STRATEGIES:

- Expand sales focus in the mid-west, northeast, multicultural and executive meetings markets as potential growth markets for Austin
- Expand sales focus in markets that have obvious potential for Austin (multicultural, high tech, music/film, green, etc.)
- Align sales efforts to target third party booking agents and association management firms (Smith Bucklin, Conferon, Conference Direct, International Meetings Network, Helms-Briscoe, Talley Management, Anthony Janetti, etc.) and bid to host regional or board meetings with these agents for additional destination exposure

Goal 2: Increase sales related activities to develop a more prominent brand presence in the national marketplace

STRATEGIES:

- Increase sales programming to include expanded and more aggressive "branded" sales missions and individual sales trips, tradeshows, site visits,

FAMs and partnered programs/events. Develop aggressive sales approach to include focus on direct face-to-face selling.

Goal 3: Expand current account base and further define Austin's market potential

STRATEGIES:

- Further define market potential in terms of improving our business mix and defining our sales universe
- Each Sales Manager identifies new business opportunities as well as all potential customers in their specified markets and will be responsible for monthly review of these opportunities with target focus on groups that utilize the convention center and a multiple hotel package

Goal 4: Expand promotional budget and increase resources to adequately compete in the national marketplace for group business

STRATEGIES:

- Continue to develop available funds and create more co-op and partner program opportunities. Generate necessary funding to compete in the marketplace with booking incentives or concessions to appropriate groups during the bid process.
- Moving into a more competitive national environment and striving to create a competitive advantage for Austin, we need to dedicate additional funds and personnel to engage in more in-depth, face-to-face communications with clients. Increased technology, including a new Digital Marketing Center and advanced e-marketing system, complements sales efforts by giving us the necessary tools to reach clients more efficiently and effectively, as well as assist our clients in meeting their objectives. With the enhanced infrastructure—hotels, venues and convention center space—to meet clients' logistical needs, we can assist in driving attendance, increasing exhibitor participation and delivering pertinent messages to their members.

- Work with Communications Department to maximize media exposure and meeting and convention specific promotional/ collateral materials.
- Work with hospitality community to coordinate branded sales missions and a destination minded sales approach. Conduct regularly scheduled meetings with hotels' Directors of Sales and the Austin Convention Center staff to effectively communicate this message and coordinate these efforts.

Goal 5: Schedule ongoing sales training

STRATEGIES:

- Offer ongoing sales training to increase effectiveness of sales force and ensure one of the best-trained sales team in the CVB industry. Diversify training to assist the sales team in developing a more effective sales approach, which ultimately provides a valuable resource to clients while positioning Austin as a viable convention and meeting destination.

Goal 6: Increase target marketing and advertising for additional exposure in the group meetings market

STRATEGIES:

- Develop brand recognition of Austin as a nationally recognized group destination for conventions and in-house group meetings. Coordinate advertising, e-marketing, quarterly client communication, industry publications and development/distribution of marketing collateral with unified message. Combine with face-to-face prospecting efforts and sales programs to deliver the message of Austin's compact package and unique assets, including music and diverse cultural scene.

Goal 7: Target 2007-2011 meetings and conventions business

STRATEGIES:

- We have identified 2007-2011 as essential business years. Utilizing all of our databases and national sales contacts to generate interest and leads for these years, we have developed aggressive prospecting goals for each market to move these years in a positive direction.

Goal 8: Further develop multi-cultural market

STRATEGIES:

- Target the multi-cultural market as having a potentially strong economic impact for Austin. Attracting these meetings is highly competitive due to the number of cities that need business during holidays and summer months when these groups traditionally meet. We will leverage Austin's reputation for diversity and unique characteristics to attract these groups. In addition, we will continue to coordinate marketing efforts with the Hispanic, African-American and Asian chambers of commerce.

Goal 9: Enhance business from Texas and regional association markets

STRATEGIES:

- The state and regional association "drive" market remain a mainstay for both short and long term opportunities, providing a strong base of business for Austin hotels and the Austin Convention Center. We continue to work closely with these groups to assure that Austin stays in their rotation patterns. Additionally, we focus on the 1,000-2,500 peak night programs, as these programs offer the strongest impact on the city's success. Our state and regional sales efforts consist of tradeshow, sales calls, client development events and an aggressive prospecting program. This includes increased focus on Dallas and Houston based groups, in addition to Austin based convention group business.

Goal 10: Increase presence in national association market

STRATEGIES:

- Focus on the Washington, D.C. and Chicago markets by positioning Austin as a unique, new, easily accessible and affordable destination to compete for larger national meeting and conventions. Increase awareness of Austin in these target markets through direct sales, site visits, tradeshow, hotel national sales offices and integrated marketing programs. Concentrate efforts on short-term bookings for 2007-2011, as well as an aggressive prospecting campaign for opportunities that produce 1,000-3,000 rooms peak nights for future years. As done in Washington, DC in FY 05-06, increase presence and extend sales efforts in Chicago and the entire Midwest Region.

Goal 11: Further develop sports market

STRATEGIES:

- Capitalize on Austin's reputation as a sports and recreation center in the national arena to develop partnerships and leverage potential income sources to further develop group room potential and resources in the sports market.
- Work with Communications Department to garner media exposure and produce promotional/collateral materials.

SALES CALLS AND BUSINESS DEVELOPMENT ACTIVITIES

FIRST QUARTER	
Event	Type
Teams USA	Tradeshow
Nursing Alliance	Tradeshow
National Panhellenic Conference	Business Development
IAEM Expo	Tradeshow
Holiday Showcase	Tradeshow
Texas Area Sales Calls	Sales Trip
Midwest Sales Calls/Client Development Event	Sales Trip/Business Development
DC Sales Mission/Client Development Event	Sales Trip/Business Development
West Coast Sales Calls	Sales Trip
Northeast Sales Calls	Sales Trip
USHCC	Tradeshow
NCBMP	Tradeshow
Local Austin Client Appreciation Event	Business Development
SECOND QUARTER	
Event	Type
Destination Showcase Chicago	Tradeshow
Sports Sales Calls	Sales Trip
Multicultural Chamber Luncheon	Business Development
Government Sales Calls (DC)	Sales Trip
Midwest Sales Calls	Sales Trip
Southeast Sales Calls	Sales Trip
TSAE Southwest Showcase	Tradeshow
PCMA Annual Meeting	Conference
RCMA Annual Meeting	Tradeshow
MPI-PEC	Tradeshow
NCCMPI	Tradeshow
Destination Showcase DC	Tradeshow
THIRD QUARTER	
Event	Type
Chicago Client Event	Business Development
TSAE Invitational	Business Development
West Coast Sales Calls	Sales Trip
Northeast Sales Calls	Sales Trip
Midwest Sales Calls	Sales Trip
Texas Sales Calls	Sales Trip
SGMP Annual Convention	Tradeshow
Destination Showcase Chicago	Tradeshow
Conference Direct	Tradeshow
Southeast Sales Calls	Business Development
Multicultural Sales Calls	Business Development
GWSAE Springtime Expo	Tradeshow
NASC	Business Development
Conference Direct Annual Meeting	Tradeshow
FOURTH QUARTER	
Event	Type
Government Sales Calls (DC)	Sales Trip
Midwest Sales Calls	Sales Trip
FEA	Tradeshow
TSAE Educational Conference	Business Development
ASAE Annual Meeting	Tradeshow
Affordable Meetings- DC	Tradeshow
CESSE	Business Development
ITME	Tradeshow
MPIWEC	Tradeshow
Northeast Sales Calls	Business Development

ACVB CONVENTION FORECAST (AS OF 6/1/06)

CONVENTION CENTER DEFINITE ROOM NIGHTS & ATTENDANCE

Year	Attendance		Variance	Rm. Nts		Variance	# Event		Variance	Attendance	Variance	Rm. Nts	Variance	# Events	Variance
	6/1/06	5/1/05		6/1/06	6/1/05		6/1/06	6/1/05							
2018	6,000		6,000	5,290		5,290	1		0	6,000	0	5,290	0	1	0
2017	0		0	0		0	0		0	0	0	0	0	0	0
2016	0		0	0		0	0		0	0	0	0	0	0	0
2015	3,000		3,000	4,824		4,824	1		0	3,000	0	4,824	0	1	0
2014	0		0	0		0	0		0	0	0	0	0	0	0
2013	6,000		6,000	5,290		5,290	1		0	6,000	0	5,290	0	1	0
2012	4,450		4,450	7,320		7,320	3		0	4,450	0	7,320	0	3	0
2011	0		0	0		0	0		0	0	0	0	0	0	0
2010	10,350	12,000	4,350	10,666	2,115	8,551	4	1	0	10,350	0	10,666	0	4	0
2009	35,900	26,200	9,700	38,143	21,881	16,070	12	6	0	35,900	0	37,951	192	12	0
2008	82,850	58,100	24,750	61,918	33,838	22,167	19	9	2	84,550	-1,700	56,005	5,913	17	2
2007	121,025	58,150	62,875	88,459	42,782	32,085	27	16	-4	113,650	7,375	74,867	13,592	23	4
2006	239,598	149,798	89,800	167,520	124,009	40,371	59	43	1	237,398	2,200	164,380	3,140	58	1
2005	182,740	179,750	2,990	149,253	129,711	19,542	56	52	0	181,740	1,000	149,253	0	56	0
2004	241,750	241,750	0	190,220	190,220	0	51	51	0	241,750	0	190,220	0	51	0
2003	144,800	144,800	0	147,648	147,648	0	47	47	0	144,800	0	147,648	0	47	0
2002	204,400	204,400	0	91,989	91,989	0	41	41	0	204,400	0	91,989	0	41	0
2001	121,200	121,200	0	107,131	107,131	0	38	38	0	121,200	0	107,131	0	38	0
2000	268,250	268,250	0	141,788	141,788	0	51	51	0	268,250	0	141,788	0	51	0
1999	237,905	237,905	0	96,787	96,787	0	45	45	0	237,905	0	96,787	0	45	0
1998	232,250	232,250	0	110,605	110,605	0	41	41	0	232,250	0	110,605	0	41	0
1997	67,350	67,350	0	72,906	72,906	0	34	34	0	67,350	0	72,906	0	34	0
1996	33,621	33,621	0	31,520	31,520	0	16	16	0	33,621	0	31,520	0	16	0

DEFINITE ROOM NIGHTS - ALL BUSINESS - A, B & C

Year	Attendance		Variance	Rm Nts		Variance	# Events		Variance	Attendance	Variance	Rm Nts	Variance	# Event	Variance
	6/1/06	6/1/05		6/1/06	6/1/05		6/1/06	6/1/05							
2018	6,000		6,000	5,290		5,290	1		1	6,000	0	5,290	0	1	0
2017	0		0	0		0	0		0	0	0	0	0	0	0
2016	0		0	0		0	0		0	0	0	0	0	0	0
2015	3,000		3,000	4,284		4,284	1		1	3,000	0	4,824	-540	1	0
2014	0		0	0		0	0		0	0	0	0	0	0	0
2013	7,200		7,200	6,952		6,952	2		2	7,200	0	6,952	0	2	0
2012	4,450		4,450	11,966		11,966	5		5	6,550	-2,100	10,911	1,055	5	0
2011	3,200		3,200	5,388		5,388	3		3	3,200	0	5,388	0	3	0
2010	19,050	12,000	7,050	13,357	2,115	11,242	6	1	5	19,050	0	13,357	0	6	0
2009	46,675	28,775	17,900	54,184	26,714	27,470	22	9	13	46,675	0	53,997	187	22	0
2008	110,195	62,055	48,140	88,094	42,173	45,921	43	14	29	101,170	9,025	80,143	7,951	39	4
2007	165,915	81,975	83,940	161,046	81,976	79,070	108	53	55	157,080	8,835	144,571	16,475	98	10
2006	980,965	184,808	796,157	336,663	173,619	163,044	376	117	259	431,362	549,603	326,068	10,595	341	35
2005	524,825	393,514	131,311	354,372	284,530	69,842	556	366	190	524,825	0	354,372	0	556	0
2004	638,078	638,078	0	386,768	386,768	0	465	465	0	638,078	0	386,768	0	465	0
2003	579,598	579,598	0	283,240	283,240	0	441	441	0	579,598	0	283,240	0	441	0
2002	591,649	591,649	0	219,491	219,491	0	455	455	0	591,649	0	219,491	0	455	0
2001	429,567	429,567	0	219,291	219,291	0	405	405	0	429,567	0	219,291	0	405	0
2000	413,268	413,268	0	226,356	226,356	0	363	363	0	413,268	0	226,356	0	363	0
1999	330,601	330,601	0	161,990	161,990	0	289	289	0	330,601	0	161,990	0	289	0
1998	334,625	334,625	0	187,828	187,828	0	245	245	0	334,625	0	187,828	0	245	0
1997	124,939	124,939	0	127,135	127,135	0	176	176	0	124,939	0	127,135	0	176	0
1996	45,803	45,803	0	63,303	63,303	0	89	89	0	45,803	0	63,303	0	89	0

CONVENTION CENTER TENTATIVE ROOM NIGHTS & ATTENDANCE

Year	Attendance		Variance	Rm Nts		Variance	# Events		Variance	Attendance	Variance	Room Nights	Variance	# Events	Variance
	6/1/06	6/1/05		6/1/06	6/1/05		6/1/06	6/1/05							
2014	22,000	22,000	0	14,240	14,240	0	2	2	0	22,000	0	14,240	0	2	0
2013	21,500	11,600	9,900	36,094	16,060	20,034	3	2	1	20,000	1,500	32,165	3,929	2	1
2012	27,000	39,800	-12,800	24,421	49,606	-25,185	4	7	-3	25,500	-1,500	20,492	3,929	3	-1
2011	59,700	12,000	47,700	100,172	20,015	80,157	10	2	8	41,900	17,800	64,402	35,770	7	3
2010	44,000	62,700	-18,700	49,623	55,970	-6,347	11	9	2	44,000	0	49,623	0	11	0
2009	40,500	20,100	20,400	67,311	42,214	25,097	20	11	9	31,700	8,800	52,743	14,568	17	3
2008	45,520	33,200	12,320	42,972	65,878	-22,906	16	14	2	40,500	5,020	42,969	3	14	2
2007	65,025	67,600	-2,575	51,796	70,748	-18,952	16	25	-9	62,450	2,575	66,187	-14,391	19	-3
2006	2,700	55,475	-52,775	2,200	44,714	-42,514	1	18	-17	0	2,700	0	2,200	0	1
2005	0	10,500	-10,500	0	12,225	-12,225	0	4	-4	0	0	0	0	0	0

TENTATIVE ROOM NIGHTS - ALL BUSINESS - A, B & C

Year	Attendance		Variance	Room Nights		Variance	# Events		Variance	Attendance	Variance	Room Nights	Variance	# Events	Variance
	6/1/06	6/1/05		6/1/06	6/1/05		6/1/06	6/1/05							
2014	22,000	22,000	0	14,240	14,240	0	2	2	0	22,850	-850	16,265	-2,025	3	-1
2013	21,500	11,600	9,900	36,094	16,060	20,034	3	2	1	20,850	650	34,190	1,904	3	0
2012	28,850	41,000	-12,150	27,901	50,556	-22,655	6	8	-2	26,350	2,500	22,517	5,384	4	2
2011	64,175	15,200	48,975	109,557	25,975	83,582	16	5	11	45,875	18,300	73,787	35,770	12	4
2010	68,280	69,100	-820	71,253	67,357	3,896	23	14	9	66,330	1,950	66,906	4,347	22	1
2009	82,725	29,550	53,075	94,515	58,183	36,332	40	22	18	74,325	8,400	80,157	14,358	37	3
2008	70,787	48,400	22,387	82,672	94,375	-11,703	66	33	33	61,477	9,310	74,131	8,541	52	14
2007	98,005	84,700	13,305	108,484	95,597	12,887	137	60	77	91,745	6,260	112,711	-4,227	113	24
2006	78,025	93,197	-15,172	16,644	97,079	-80,435	67	114	-47	143,314	-65,289	17,584	-940	80	-13
2005	0	34,671	-34,671	0	32,582	-32,582	0	96	-96	0	0	0	0	0	0
2004	0	120	-120	0	578	-578	0	4	-4	0	0	0	0	0	0

SPORTS COMMISSION

MISSION

The mission of the Austin Sports Commission is to recruit, grow and retain sporting events in the greater Austin area. Sporting events in our community continue to play a significant role in the economic impact of the city.

The Austin Sports Commission works hand in hand with local organizing committees in order to identify possible venues, secure hotel space and, at times, assist in sponsorship acquisition for clients on a national level. The Sports Commission also works diligently in locating national governing bodies wishing to secure a host city for their specific disciplines.

HISTORY

In mid-2003, members of the board of directors of the Greater Austin Sports Association (GASA) approached the President & CEO of the Austin CVB to gauge the Bureau's interest in absorbing GASA. At the time, no assessment had been made of the sports market relative to the impact it could have on the local economy. The Bureau decided to forego the offer from the board of directors of GASA in order to spend adequate time researching prospects for the local sports market.

After two years of research, quantifiable results and planning, the Bureau leadership determined the sports market was indeed viable. In the first year of marketing to sports enthusiasts, the Bureau realized substantial growth, increasing from 13,000 hotel room nights to nearly 90,000 hotel room nights in a single year. The sports market became one of the top producing segments in the Bureau's sales efforts.

The Bureau's Board of Directors recommended proceeding with the development of a fully staffed sports commission to increase Austin's share of the sports events market. The Bureau named an executive director and invited a board of directors to oversee the creation of the Austin Sports Commission. Based on the past successes in the sports market segment, the Bureau added a second sales manager to assist in marketing the city as a sports events destination.

"Austin is not merely my favorite stop on the entire college sports tour, it's one of my favorite places period! I love the restaurants, night spots, live music, weather, recreation—biking on the back roads and running along the river—and, of course, the hospitality. Every Austinite I know is proud of their city, and they should be. I'm a huge fan of Austin and try to get there as often I can,"

CHRIS FOWLER, ESPN

Some of the more notable events that have taken place in Austin as a result of Sports Commission efforts include the following:

- **NCAA Austin Regional Basketball Tournament**
Worked closely with the University of Texas Athletics Department to facilitate the event, which resulted in a sold-out hotel market in downtown Austin over Easter weekend, traditionally a slow time in the city. The Sports Commission executive director served as chairman of the Austin host committee for this event. NCAA estimates \$25 million in media exposure for the city during the tournament.
- **Jeep King of the Mountain World Mountain Biking Championships**
Resulted in national exposure for the city via CBS Sports and from the participants who converged on Austin from all over the world for the event. The Travis County Expo Center played host to the event.
- **Association of Volleyball Professionals (AVP Pro Beach Volleyball)**
For two consecutive years, Auditorium Shores on Town Lake served as the venue for world-class beach volleyball games. Through coverage on Fox Sports Network, a national television audience viewed the action from Austin, with the city's downtown skyline serving as the backdrop. The event drew volleyball fans from across the region.

The Austin Sports Commission is currently working with numerous national sports governing bodies to secure additional new business to the city. Included are:

- USA Volleyball
- USA Fencing
- NCAA Athletics / University of Texas Athletic Department
- Lance Armstrong Foundation
- Orange County Choppers
- FLW Wal-Mart Fishing Tour
- Texas High School Coaches Association

DEPARTMENT OVERVIEW

Three employees, operating under the purview of the Austin CVB, staff the Austin Sports Commission. An Executive Director oversees operations on a day-to-day basis with assistance from a Sales Manager and Coordinator. The CVB provides offices for the Sports Commission, and the Executive Director reports to the President & CEO of the Bureau.

The Sports Commission actively promotes Austin as a destination to event organizers and their boards of directors, and it actively follows up with organizers to ensure the event's success by sharing a working knowledge of the city and providing information regarding local service providers.

The Commission's client list covers myriad events from the professional level to the amateur level and includes all age groups. Marketing efforts capitalize on Austin's image as a participatory sports market. Austinites aren't just spectators; they're participators, and national governing bodies and event rights holders find that very attractive.

Presently, the Austin CVB funds 100% operating expenses of the Sports Commission. The staff plans to utilize every opportunity possible to supplement the funding and has identified several strategies by which to accomplish this. All revenues in excess of expenses will be retained in a "bid pool" in order to become more competitive with other cities in securing sporting events.

A 26-member board of directors, comprised of men and women from all walks of life but with an interest in sports and recreation, oversees the Commission. Board members are, as follows:

Scott Abel	St. Edward's University	<i>Associate AD</i>
Scott Alves	Centex Beverage	<i>Director of Marketing</i>
Jim Baker	UT Athletic Department	<i>Associate AD, Events & Operations</i>
John Berlet	Seniors Advisory Group	<i>President</i>
Mike Berry	Austin Toros	<i>President</i>
Jack Boone**	Smith Barney	<i>VP Investments</i>
Paul Compton	Thomas & Murphey	<i>President</i>
John Conley	Austin Marathon	<i>Race Director</i>
David Contreras	Impacto Group LLC	<i>Senior Advisor</i>
Jerry Conway	Sonic Restaurants	<i>President</i>
Gerald Daugherty	Travis County	<i>County Commissioner</i>
Mike Duncan	Lone Star Soccer	<i>General Manager</i>
Karen Fenske	Fed-Ex Kinko's Classic	<i>Tournament Director</i>
Kevin Grandin	White Lodging	<i>Regional VP</i>
Sam Guzman	SGJ Essential Services	<i>Principal</i>
Tim Hayden	Game Plan Marketing & Events	<i>President</i>
Bucky Lamb	Rodeo Austin	<i>General Manager</i>
Bob Lander	Austin Convention & Visitors Bureau	<i>President & CEO</i>
Jennifer Lustina	JHL Company	<i>President</i>
Jay Miller	Round Rock Express	<i>President & COO</i>
Kenneth Sims	Ex-UT & NFL Football Player	
Gary Steffen	Hilton Austin Airport	<i>General Manager</i>
Warren Struss	Austin Parks and Recreation	<i>Executive Director</i>
Cal Varner	Cal Varner & Associates	<i>Principal</i>
Pete Webb	Glazer's Distributing	<i>District Manager</i>

** Board Chairman

CURRENT MARKET OVERVIEW

Drastic changes have taken place in the Austin hotel market over the past three years. Occupancy numbers continue to rise, and hotel demand is stronger than in previous years. Under these conditions, it is more difficult to meet the needs of the sporting event participants due to the increased hotel room rates.

Participants typically travel on their own funds and seek the best available deals. For sports events that takes place near a downtown venue, participants often prefer making reservations at downtown hotel rooms in order to take advantage of Austin's thriving downtown. As downtown hotel room rates have increased significantly, rights holders are now looking at nearby, competitive cities in order to build their attendance.

Under these current conditions, the Austin Sports Commission will assign a premium value on attendance at sporting events as a means to better determine the economic impact of specific events. Since hotels typically offer lower room-block commitments for these types of events, the consumer often stays at hotels outside of the contracted hotels. This practice makes it difficult to accurately measure the economic impact of specific events. Thus, by identifying more accurate attendance numbers for these events, we can provide more accurate economic impact figures.

Austin remains a viable market as it relates to the sports consumer. Our goal is to identify periods of need in the city and to fill those needs with sports business and to identify sports organizations that may accept higher room rates in order to hold the events in Austin. We promote the fact that customer attendance will increase if the event happens in a city that people want to visit.

MARKETING GOALS & STRATEGIES: FY 2006-2007

	Annual Goal 06-07
Existing Business Renewal (by event)	90%
Event Attendance	788,000
New Business Development (by event)	120
Fundraising Development	\$125,000
BOD Communications (newsletter, etc.)	36

THE SPORTS TRAVEL CONSUMER *

- Two-fifths of U.S. adults are sports events travelers. In the past five years, 75.3 million U.S. adults attended an organized sports events, competition or tournament as either a spectator or as a participant while on a trip of 50 miles or more, one-way, away from home.
- Men outnumber women as sports events travelers with 45 percent of men (42.7 million) and 31 percent of women (32.6 million) attending sports events while traveling in the past five years.
- Professional and amateur sports events are attended equally while traveling. Among amateur events, high school and college sports are most popular.
- Attending the sports event is the primary purpose of trip for most sports events travelers (76%).
- Most sports events travelers are spectators (84%). One-fourth of all sports events travelers attended events to watch their children or grandchildren play.
- Two out of five sports events travelers made a special purchase of sports equipment or clothes for their trip, spending an average of \$119 per person.
- Sports events traveler spending is similar to the spending done by all U.S. travelers. Multi-activity travelers spend more than sports event-only travelers (\$615 vs. \$235, mean).
- Sports events travelers are generally younger than total U.S. travelers. They are also more likely to have children and be employed full-time. Sports events-only travelers are more likely than multi-activity travelers to be married and have children.

**Source: Travel Industry of America Association*

Goal 1: Sports Marketing

STRATEGIES:

- Identify local organizing committees that currently exist within the city in order to maximize strength during bid process
- Encourage current customer base to expand their reach and marketing efforts in order to attract more out of town visitors
- Expand prospecting efforts to include higher rated meetings and events
- Seek events that can take place during value periods

Goal 2: Increase visibility of destination

STRATEGIES:

- Pursue events and event rights holders that leverage television and other media coverage
- Further relationship with University of Texas Athletic department in order to attract more nationally televised events into the area, thereby increasing exposure of Austin
- Encourage events holders to increase their media relations efforts
- Work with Communications Department to develop collateral materials, increase media exposure and enhance sports information on website

Goal 3: Management of Sports Commission Board of Directors

STRATEGIES:

- Determine the proper model for a board member and pursue those individuals who fit the role from within the community
- Communicate in an effective and concise way the mission of the board member and the expectations associated with this role

Goal 4: Fundraising

STRATEGIES:

- Identify potential avenues for the Sports Commission to raise funds for future events coming to the city
- Take full advantage of IRS non-profit status
- Motivate board members to become fundraisers
- Seek a full-time Director of Development
- Prepare for the reintroduction of senate Bill 39* when TX Legislature convenes in January

(*SB 39 provides a vehicle for funding to local events rights holders and other bodies, such as sports commissions, that recruit sport events into their cities)

CONVENTION SERVICES

MISSION

The Convention Services Department supports definite meetings and conventions bookings by providing customers with assistance and services that benefit and enhance their meetings. From assisting in the initial sales process to final execution of the meeting, the Services Department strives to assist planners in making their Austin events as successful as possible, often resulting in a commitment to return with future business. The department connects each organization with local businesses, provides multi-hotel housing and offers registration assistance to contracted meetings.

DEPARTMENT OVERVIEW

Convention Services continues to be one of the most dynamic aspects of any CVB. In today's marketplace, clients rely more than ever on Convention Services departments for everything from housing assistance, site inspections, venue suggestions, pre-show promotion and assistance in creating a truly memorable experience for their attendees.

Convention Services proves as vital to the sales cycle as do prospecting calls by a sales manager. An effective Convention Service effort opens the door to increased sales opportunities. A successful meeting depends on the entire experience, which starts with the personal assistance extended to planners by the services staff.

An effective Convention Services department challenges itself to remaining attuned to client needs at present and in the future. Advanced technology, such as customized micro sites, pre-promotional e-mail blasts and an array of automated housing system features, are necessities in the

market. Our Services team strives to meet this challenge by using a "high tech with a high touch" approach.

Despite technological developments and its impact on our business, the effectiveness of a superior Convention Services department depends on the human element. In that arena, ACVB remains very strong in terms of experience and commitment.

The department consists of a Director of Convention Services, Convention Services Manager, Housing Manager, Services Coordinator, Housing Coordinator, part-time housing clerks and approximately 30 part-time registration assistants.

The following plan outlines initiatives for the upcoming fiscal year that continue to showcase the world-class reputation of our award-winning Services department and strategies to further enhance the offerings and services that our clients have come to expect.

INTRODUCTION TO CONVENTION SERVICES

Meeting planners are introduced to Convention Services either in the booking stage during site visits or from informational packets sent to contracted business.

REFERRALS

Planners or conference committee members often seek recommendations on local products, venues and services. Convention Services provides lists of local resources, along with the *Meeting Planner & Destination Guide*, and directs clients to the ACVB website. Convention Services offers an online supplier lead referral service to assist planners in securing local suppliers for meetings.

ATTENDANCE BUILDERS

For some larger groups, the Services Department exhibits at the organization's convention the year prior to meeting in Austin to inform conference attendees about the city and encourage attendance the following year.

SITE INSPECTIONS

Convention Services assists planners with scheduling appointments and accompanies clients on tours of local facilities and attractions, as well as arranges introductions and business leads for local conference suppliers.

PLANNING MEETINGS

Services staff meets with the client to assist in pre-planning and conference needs.

CONVENTION HOUSING

For multi-hotel conventions, the Bureau's convention housing service handles reservation assignments to the contracted properties. The real-time, internet-based housing program allows the attendee to book, change and cancel reservations online. The Bureau builds the website, manages the inventory, submits reports to hotels and handles mailed or faxed reservation requests.

REGISTRATION ASSISTANCE

ACVB employs 30 part-time, on-call staff to assist conventions with registration, cashiering, room monitoring, packet stuffing, information booths and other general assistance.

BROCHURE FULFILLMENT

For groups of all sizes, Services provides brochures and maps highlighting local sites and attractions. Photographic images, videos and promotional items are also available.

LOCAL SUPPLIER MEETINGS

The department is responsible for being familiar with area businesses and resources available to conventions. They meet with companies interested in working with conventions to assess the scope of the business and to encourage the business to be listed in the *Meeting Planner and Destination Guide* and on the Bureau's website.

PRE- AND POST-CONVENTION MEETINGS / POST-CONVENTION SURVEYS

Convention Services staff schedules pre-convention meetings with the larger groups that utilize multiple services to review all conference details and process last minute changes. A post-convention meeting is also held to identify processes that worked well and to recommend areas for improvement. Post-convention surveys are sent to organizers to gauge responses about the event and obtain final figures for possible future bookings. Survey results are shared with industry partners.

CONVENTION SERVICES GOALS/STRATEGIES, FY 2006-07

GOALS	Monthly Goals 05/06	Monthly Goals 06-07	Annual Goals 05-06	Annual Goals 06-07
Groups Served	75	79	900	950
Registration Assistant Hours Provided	325	333	3900	4000
Reservations Assigned	1,125	1,291	13,500	15,500
Supplier Referrals	13	14	165	168
Site Visits	2	3	28	36
Planning Meetings/Visits	4	4	46	48
Pre/Post Convention Meetings	2	2	25	25

Goal 1: Provide Internet housing bureau services to multi-hotel groups**STRATEGIES:**

- Provide system training to recently hired part-time support staff to assist with increase volume of housing
- Present revised fee structure to hotel community
- Pre-plan housing set-up for each group and create housing site
- Assign 15,500 reservations annually
- Complete housing for 12 citywide conventions
- Reconcile housing actuals picked up for billing purposes
- Create a housing insert for packet to promote housing services to potential customers
- Attend User Group meetings for continued education on upgrades and trends for housing

Goal 2: Promote housing bureau, registration assistance and convention services to new bookings for revenue development**STRATEGIES:**

- Review sales traces of booked groups and offer services to 950 bureau booked and non-bureau booked conventions
- Hire and train five new registration personnel to handle increased goal of 4,000 registration annual staffing hours

- Promote changes in registration assistance services to a fee-based service for all groups to increase generated profit to \$10,000
- Promote complimentary hospitality desk service for CVB booked groups
- Attend promotional trips for select groups one year prior to Austin convention to encourage increased attendance and interest in Austin
- Direct non-Bureau booked customers to website regarding fee-based services in order to generate revenue from sale of collateral materials

Goal 3: Analyze and communicate customer needs to encourage partnerships and use of local resources**STRATEGIES:**

- Provide e-marketing service to customers for promotion of their Austin convention
- Continue online service lead system to better track supplier referrals through upgrades in the database and greater usage of the bureau website
- Continue improvement of the Austin product by sharing results of e-mail surveys on a monthly basis to entities involved
- Continue involvement in industry organizations by serving on boards and committees and by attending industry meetings and conventions
- Participate in trade shows, fam trips, sales missions, site visits and special events to educate customers on services available through the Bureau

- Attend pre- and post-convention meetings for feedback on the convention's Austin experience
- Send e-mail blast of new Austin services and calendar of events two months prior to convention to encourage increased length of stay
- Review educational opportunities for staff in industry conferences and meetings
- Offer software training for staff to maximize productivity

Goal 4: Work with Austin businesses and hospitality industry partners to develop awareness of conventions and share client needs and expectations

STRATEGIES:

- Distribute "All Access Austin" brochure of downtown area restaurants, retail and nightlife offering discounts and/or promotions to convention delegates
- Send list of large groups to restaurants, retail outlets and venues one month prior to major conventions and events to assist in determining staffing levels and to build additional awareness of upcoming conventions
- Continue production and distribution of "sun visor" convention calendar to Austin cab drivers
- Track final convention pick-up numbers by utilizing database software
- Calculate direct dollar impact reports to share with industry partners
- Hold quarterly industry strategy sessions to evaluate the Austin product and needed areas of improvement
- Provide music to select conventions as a booking incentive while assisting music department in marketing music as an integral part of all conferences
- Provide welcome receptions to select conventions as a booking incentive

Goal 5: Develop products and materials for promotion of Austin as a convention and travel destination

STRATEGIES:

- Produce a new Austin "welcome" amenity to present to customers upon convention arrival
- Work with Retail Operations Manager of Austin Visitor Center to expand promotional products and amenity offerings for use as client appreciation gifts
- Identify prime conventions for installation of welcome banners at the airport based on room night and attendance criteria
- Coordinate production of 20,000 University Interscholastic League housing brochures to assist participants and spectators in securing reservations during annual state competitions and tournaments
- Encourage sale of Austin products to convention clients and hotels for promotional efforts

Goal 6: Enhance registration assistance program

STRATEGIES:

- Purchase uniforms for registration assistants that identify them as ACVB staff
- Produce booth/mobile cart and brochure racks for use as information booth at conventions

MARKETING COMMUNICATIONS

MISSION

The Communications Department strives to increase awareness in the media and the public arena of Austin as a convention and leisure destination through effective public relations and advertising/marketing campaigns. The department coordinates advertising, promotions, publications, website, research and public and media relations programs for all departments. As the agency's official voice, the department delivers the message of the Austin CVB in a cohesive and comprehensive manner.

DEPARTMENT OVERVIEW

The department consists of three full-time employees. The staff includes a Director of Marketing Communications, Marketing Communications Manager and Media Relations Manager. Through integrated advertising/marketing campaigns, media placements and pro-active public relations efforts, the department communicates the organization's message to the media, public officials, hospitality industry, meeting planners and general public.

Due to budget constraints in advertising and promotions, the Marketing Communications Department concentrates primarily on strong media relations efforts to maintain Austin's high profile in the state, national and international media, and on local public relations to increase awareness of ACVB within the local community. As a result, the media value of coverage attained by the Bureau this fiscal year will top \$7 million. In comparison, the Bureau's total advertising budget for FY 2005-06 is approximately \$311,000. For every \$1 spent on advertising, ACVB gained an estimated \$22.50 of free editorial coverage.

Department responsibilities fall into six primary categories:

- Media Relations
- Advertising
- Collateral Materials
- Publications
- Research
- Website Management/ Interactive Media



The Marketing Communications Director oversees external and internal communications for the Bureau, serves as media spokesperson for Austin CVB and works directly with the President & CEO on advertising plans, research, public issues and long-range projects. The Marketing Communications Manager is responsible for managing the website and interactive components, along with serving as a point person for the database and digital marketing center. This staff member also compiles online monthly reports, manages photo and video libraries and assists with publications. Response to media requests and inquiries primarily comes from the Media Relations Manager, who writes press releases, solicits editorial coverage, compiles a monthly industry electronic newsletter, schedules media visits and works directly with media.

MARKETING COMMUNICATIONS GOALS/ STRATEGIES, 2006-07

	Monthly Goals, 05-06	Monthly Goals, 06-07	Annual Goal 05-06	Annual Goal 06-07
Releases/ # Contacts	9/ 396	9/ 435	108/ 4,752	108/ 5,220
Media Inquiries	133	137	1,596	1,644
Media/Site Visits	7	7	84	84
Dollar impact of media	\$595,622	\$613,490	\$7.1 million	\$7.36 million
Advertising Responses	3,666	3,776	44,000	45,311
Images Issued	145	150	1,740	1,800
Website Visits	19,965	29,948	239,580	359,370

Goal 1: Increase media relations efforts and editorial placement

Continue pro-active media relations throughout 2006-07, primarily through press releases to local, regional and national media; and direct contact via email, telephone, media missions and hosting one-on-one media visits to Austin. Continue international efforts by working with and utilizing the public relations agencies employed by the State of Texas in the United Kingdom, Germany and Canada.

STRATEGIES:

- Host an average of 7 individual journalists monthly (84/yr)
- Respond to an average 137 media inquiries per month for editorial coverage
- Write and distribute an average of 9 press releases per month to 435 local, regional, national and international media contacts
- Actively participate in local Public Relations Society of America (PRSA) chapter and attend national PRSA convention/ media showcase
- Actively participate in Society of American Travel Writers (SATW) as associate member and attend annual regional (Central States Chapter) convention
- Actively participate in Travel Industry of America (TIA) Pow Wow media marketplace
- Attend Texas Travel Industry Association annual conference
- Host three media FAMs—spring (Cultural/

Culinary), fall (Music) and holiday (travel trade media)

- Host Austin media/VIP tent during Bar-B-Q Block Party in New York City
- Host media event in Washington, DC
- Participate in Texas Tourism media mission to Chicago
- Participate in Texas Day at Southern Progress Corp; Southeast media mission
- Partner with Texas Wine & Food Festival for a Dallas media luncheon
- Host media area during Austin City Limits Music Festival
- Sponsor annual Batini contest for media during BatFest
- Partner with CSE on guerilla marketing campaign by sending sidewalk chalk artists to other major music fests through US to create unique "See You in Austin" message and dates for 2007 ACL Fest, thus generating media coverage

Goal 2: Introduce new advertising creative; expand advertising campaigns with radio and cable television spots.

Develop new advertising creative for both the leisure and meetings markets that capture the true essence of Austin, and why it's one of the country's hottest, hippest cities—i.e., the music, the culture/ creative climate, the outdoors and its eclectic character. With statistics showing the leisure market having grown significantly since 2001 and with no signs of slowing, concentrate the majority of

advertising in leisure areas. Carry over theme of print ads to radio and television.

STRATEGIES:

- Develop new consistent, creative print campaign and marketing message with the "All Access Austin" theme of rack brochure and carrying creative graphic elements of website, publications and collateral
- Develop comprehensive print media plan for key general interest regional consumer/ leisure travel publications targeting proven demographics, including:
 - *Texas Monthly*
 - *Texas Highways*
 - *Southern Living*
 - *AAA publications in Texas, Midwest, Oklahoma & New Mexico*
 - *D Magazine*
 - *Houston Metropolitan Magazine*
 - *Fiesta (San Antonio Express News monthly)*
 - *Southwest Airlines' Spirit*
- Introduce campaign with "togetherness" message—the most popular reason for travel since 9/11 has been to reconnect with family and friends, including multi-generational trips. Popular themes are "Girlfriend Getaways," "Family Fun Vacations," "Grandparents & Grandchildren Travel," "Mother-Daughter Bonding," "Father-Son Adventure Travel," "Romantic Weekends," "Retreats & Spas."
 - *Arthur Frommer's Budget Travel*
 - *Girlfriend Getaways*
 - *Oprah*
 - *Cooking Light*
 - *Shape*
 - *National Geographic Traveler*
 - *National Geographic Adventure*
 - *Men's Journal*
 - *Outside*
 - *More*
 - *AARP Magazine*
- Create new promotional insert for meetings & conventions market that continues the marketing message of the leisure campaign and expands on the area's hotel and meeting venue package. Present insert as a co-op program to re-engage Austin area hotels and Austin Convention Center. Insert will be folded into a print media plan with key meetings & convention publications, as well as used in a direct mail campaign. Determine minimal number of insertions in such publications as:
 - *TSAE Association Leadership*
 - *Meeting News*
 - *Associations Now*
 - *Meetings & Conventions*
 - *Successful Meetings*
 - *Meeting Professional*
 - *Convention South*
 - *USAE*
- Introduce campaign targeting multi-cultural meetings markets in key national publications, including:
 - *Black Meetings & Tourism*
 - *Black Enterprise*
 - *Hispanic Magazine*
 - *Hispanic Meetings & Tourism*
- Continue advertising/promotional partnership created with regional CVBs and attractions as "Gateway to the Hill County" by running radio schedules—including live remotes and trip giveaways—in Houston, Dallas and San Antonio drive markets to promote summer travel
- Support radio campaign with print advertising buys in summer travel planner sections of *Dallas Morning News*, *Fort Worth Star Telegram*, *Houston Chronicle* and *San Antonio Express News*
- Develop cable television media plan and introduce "Untraditionally Austin" television spot with footage highlighting 37th St. Lights, Armadillo Christmas Bazaar, spinning beneath the Zilker Tree and Zach Scott's "Rockin' Christmas Party"

- Support efforts of other CVB departments with limited print advertising buys, including:
 - Sports Marketing—UIL Basketball program, *Sports Events* magazine
 - Tourism Dept.—*Texas Tour Guide* domestic & international
 - Music Marketing—quarterly music listings in *Texas Music*
 - Film Office—"thank you" ads in *MovieMaker* and *Billboard*

Goal 3: Develop promotional materials to support efforts of convention sales & services, tourism, multi-cultural markets, sports commission and media relations

STRATEGIES:

- Purchase new photography for digital image gallery used by ACVB in marketing the city, for use by clients in promoting meetings and events in Austin, and for editorial use by media
- Update promotional video/DVD with customized specific messages for Convention Sales/ Services, Tourism and general public/media relations
- Compile new b-roll footage, customizing specific versions for general media usage, food media (highly requested) and film/location needs based on history of requests
- Develop new rack brochure/ insert for Austin Sports Commission
- Develop new rack brochure for multi-cultural market
- Design and print new tabbed bid book for Convention Sales
- Create digital marketing kit (CD & online version) for Convention Services
- Create housing insert to include in Convention Sales/ Services packets
- Work with Convention Services & Tourism departments to develop comprehensive "All Access Austin" program, including collateral materials
- Create banners, signage and booth displays as needed for promotional/ marketing events and tradeshow

Goal 4: Continue production and distribution of quality publications

The Communications Department works closely with the editorial and sales staffs of Weaver Multimedia to produce the annual Meeting Planner & Destination Guide and the bi-annual *Austin Official Visitors Guide*.

STRATEGIES

- Provide listings and coordinate editorial direction of guides
- Increase variety of content in Visitor Guides, with particular emphasis on "Dining/ Nightlife" and "Diverse Austin" sections
- Approve design and photography for guides
- Coordinate distribution of Visitor Guides with Convention Services, Visitor Center and Weaver Publications
- Set up distribution plans for guides
- Produce online version of *Austin Film Guide*

Goal 5: Research

Several research projects were conducted in 2003 during an initial branding campaign. As economic factors and the entire tourism industry have greatly recovered since that time, updated information reflecting the current state of the industry is needed in order to efficiently and effectively implement the goals of all ACVB departments.

STRATEGIES

- Conduct new Tourism Impact study
- Develop and conduct Visitor Profile
- Conduct multi-cultural research project
- Work with SXSW to conduct economic impact study of festival
- Partner with University of Texas to capture more comprehensive economic impact information of UT events, i.e., home football games, Texas Relays, graduation weekend and other athletic events

Goal 6: Implement comprehensive interactive marketing plan; maintain website

A new study released by Travel Industry of America and D.K. Shifflet & Associates shows that last year, for the first time, more trips were booked online than by any other method. Other recent statistics released by Forrester Research include:

- By year-end 2006, nearly 71% of US households will be online
- In 2006, 35.2 million households will buy leisure travel online, spending \$74.4 billion
- 20.3 million more households will use the Web to research travel, but buy offline

The launch of a new website in the fall of 2005, along with a new digital marketing center that includes an advanced e-marketing program, gives Austin CVB the tools to fully utilize web-based marketing. To maintain a strong online presence and drive revenue through the web, a solid interactive strategy must be in place.

During FY 2006-2007, the focus will be to build e-commerce offerings, add more interactive tools on the website, expand the e-marketing program and continue to build awareness of ACVB website. *

**Additional resources—both in funding and staffing—are required in order to implement programs necessary for increasing Austin's presence on the Internet and to drive web traffic and revenue.*

STRATEGIES:

Increase e-commerce activities on website to generate revenue from some 65,000 monthly site visits

- Set up an online store to offer hard sale items such as Austin music CDs, Austin t-shirts & other logo items, and Austin art prints/posters
- Install music download software program that allows user to purchase Austin music
- Work with Tourism Department to enhance and increase travel packaging offers to generate additional revenue; develop marketing campaign for packages
- In partnership with Weaver Multimedia, implement paid placement listings on "Stay and Do" section of website by charging fees for enhanced listings to include photographs, logos and additional descriptions

Develop additional interactive tools for website that encourage repeat visits by visitors searching for destination information; 18% currently add our website to their favorite links

- Work with Weaver Multimedia & New Media Gateway to enhance current tools—music jukebox, My Notebook itinerary-building tool
- Install flash videos on "Meeting Professional" section
- Enhance "Live Music" section; develop marketing campaign
- Enhance "Sports Commission" section; develop marketing campaign

Upgrade e-marketing tools

- Increase opt-in database and maximize usage of database
- Develop comprehensive web database mining, profiling and marketing programs to capture information about visitors to website including their origin cities, how they use the site and other demographic and preference information; maximize usage of that visitor information with increased online marketing and direct mail campaigns
- Increase opt-in subscriber base for quarterly leisure newsletter with more prominent placement of sign-in on newsletter and distributing e-mail sign-up cards at Visitor Center

Increase awareness of ACVB website

- Develop general search engine optimization program with major search engines such as Google, Citysearch and Yahoo to drive qualified traffic to ACVB website by identifying and optimizing keywords associated with Austin
- Gain a greater online presence and higher traffic to the website through effective advertising and online partnerships with other websites, focusing in particular on travel planning websites in key drive market cities, including but not limited to Dallas, Fort Worth, Houston and San Antonio
- Develop affinity promotions by creating online sweepstakes that include airfare, hotel accommodations, rental cars and attraction passes; email addresses collected during the sweepstakes can be added to opt-in lists for e-marketing purposes

TOURISM SALES & MARKETING

MISSION

The Tourism Sales & Marketing Department promotes and sells Austin as a leisure travel destination to the domestic and international travel markets by developing and implementing programs designed to generate room nights; increase visitation to attractions, heritage sites and cultural institutions; and to impact retail establishments, restaurants and transportation companies.

DEPARTMENT OVERVIEW

Tourism efforts focus on generating group and individual leisure travel business by increasing the number of Austin packages and tours available for purchase by consumers, both domestic and international. Tourism utilizes traditional sales strategies including tradeshow, sales calls and missions and familiarization tours to maintain this focus and further its marketing and sales efforts. In addition, Tourism develops both general and event specific travel packages to Austin that are available directly to the consumer via the ACVB website, as well as a newly integrated coupon section that provides an added value to the traveler. The department also assists other Austin CVB departments with tourism product and infrastructure development initiatives.

The Tourism Department is committed to providing the best possible destination sales and marketing services to three key industry segments: domestic travel trade, international travel trade and online packaging. The priority is to sell packaged travel through domestic and international tour operators, wholesalers, incentive travel planners, group travel leaders, travel agents, auto club offices and other travel planners. However, the initial success of online travel packages featuring Austin indicates

a high rate of potential growth. The services provided are designed to showcase Austin and the Texas Hill Country as a unique leisure travel destination in Texas and the U.S.

Tourism staff members provide local travel industry partners—hotels, attractions, restaurants, step-on guides, transportation companies, minority chambers, Austin-Bergstrom International Airport, City of Austin—with the highest level of leisure travel business leads and business generation through cooperative marketing and packaging opportunities, familiarization trips, tradeshow and sales missions. Tourism assists ABIA in attracting and supporting air service to Austin and works with Austin's minority chambers to further develop minority constituency travel to Austin.

The Tourism Department consists of a Director of Tourism, who oversees the department's activities and handles the international travel trade, including Canada, Mexico, United Kingdom and Germany. The Tourism Sales Manager handles the domestic travel trade including tour operators, group leaders and AAA travel agencies. A Tourism Coordinator supports the minority sales department and tourism sales efforts.



MARKET UPDATE

Austin remains the fourth most visited city in Texas, behind Dallas, Houston and San Antonio, all major destinations with strong consumer awareness. In order to be competitive and continue gaining market share from these cities, Tourism must increase and maintain consistent sales and advertising and marketing efforts in the group and individual leisure travel markets, both domestic and international.

Domestic

Over the past few years, Austin has experienced an upward trend in leisure travel visitation and destination spending. Americans are more likely to travel within the U.S., and Texans are more apt to travel within Texas. Likewise, travel is more apt to be done via automobile. This bodes well for Austin since 68 percent of total visitation is by Texans and 55 percent of travel to Austin is by car. The economic impact from nearly 17 million visitors to the region is \$2.45 billion.

The demographic characteristics of Texas travelers are similar to averages for all U.S. travelers. Differences between Texans and non-Texan travelers are typically minimal.

- The average age of Texas travelers is 45 years, the same as the U.S. average.
- The average household income of Texas travelers is \$64,700, slightly lower than the U.S. average of \$68,700.
- Employment status is also similar; 13 percent of Texas and U.S. travelers are retirees.
- Two-thirds of Texas person-days are made by Texas residents (66%), a level second highest to California (70%) and about twice the proportion of the U.S. average (38%). The surrounding states produce a large share of non-Texas total person-days travel—Louisiana (9%), Oklahoma (9%), New Mexico (5%), and Arkansas (5%). Other significant origin states are California (7%) and Florida (7%).

Travel patterns for Texas travelers are similar to the U.S., but travel patterns for Texans often differ from non-Texans.

- Leisure travel accounts for 71 percent of total travel to Texas, the same as the 2003 level. "Visiting friends and relatives" is the primary stay purpose for visiting Texas by both Texans (27%) and non-Texans (39%).
- Texas visitors most often participate in tour related activities (22%) and attractions-based activities (21%). Activity participation is similar for Texans and non-Texans.
- Texas travel parties contain an average 2.1 persons, also the U.S. average. The greatest proportion of travel parties contains one person (42%). Male-female couples (26%) and families (21%) account for most of the remaining party composition types. non-Texan travel parties more often contain only one-adult and less often contain children.
- Overnight travelers to and within Texas stay an average 2.6 nights in the state, slightly less than in 2003 and less than the U.S. average of 2.9 nights. Non-Texan stays are much longer than Texan stays (3.6 nights vs. 2.2 nights). Non-Texans are much less likely to be on a day trip compared to Texans (22% vs. 56%).
- Texas visitors most often stay in hotels or motels (37%) or with friends or relatives (34%). Auto travel in 2004 represented 71 percent of Texas travel, the same level as 2003. Air travel represented 19 percent of travel, higher than in 2003. Other travel modes, including RVs, account for the remaining ten percent. Air travel accounts for 45 percent of non-Texan travel.
- Texas travel parties spent an average \$456 per stay in 2004, up seven percent from 2003. On a daily per-person basis, traveler spending was \$108, less than the national average of \$104. Non-Texans traveling to Texas spent an average of \$127 per person per day, compared to an average of \$98 for Texans. Among the major travel segments analyzed, spending is highest for non-Texan overnight business travelers (\$189).

International

In 2004, international arrivals to the U.S. increased by 11.8 percent, for a total of 46.1 million visitors. In 2005, arrivals to the U.S. were forecast to grow by 6.5 percent, reaching a total of 49 million visitors. U.S. arrivals from Europe in 2004 grew by 12 percent over 2003 for a total of 9.7 million visitors. Europe is the top tourism generating overseas region. European arrivals to the U.S. were forecast to increase by 8.6 percent in 2005. Asian arrivals to the U.S. increased by 16.8 percent in 2004 over 2003 for a total of 5.8 million visitors. U.S. arrivals from Asia were forecast to increase by 7.2 percent in 2005. U.S. arrivals from South America totaled 1.6 million in 2004, an increase of 8.1 percent over 2003. South American arrivals were forecast to increase by 7.6 percent in 2005.

MEXICO is the leading source of international travelers to Texas with an estimated 6,048,000 visitors coming to the state in 2004. The economic impact of these visitors is estimated at roughly \$3.3 billion.

CANADA is the second leading source of travelers to Texas and the leading source of visitors to the United States. In 2004, an estimated 259,000 visitors came to the state creating an economic impact of roughly \$168 million

THE UNITED KINGDOM (UK) is the largest overseas travel market for both Texas and the United States. In 2004, an estimated 176,000 visitors traveled to Texas and spent approximately \$270 million on their trips.

GERMANY is the second largest overseas travel market for Texas with an estimated 71,000 visitors to the state in 2004. Germans spent roughly \$133 million on visits to Texas.

JAPAN is currently the third largest overseas market for Texas and the top Asian market. In 2004, an estimated 64,000 visitors from Japan traveled to Texas creating an estimated economic impact of \$126 million.

MARKETING GOALS/STRATEGIES 2006-07

	Monthly Goals 06-07	Monthly Goals 05-06	Annual Goals 06-07	Annual Goals 05-06
Missions/Tradeshows	1	1	12	12
Site Visits/FAM Tours	1	1	12	12
Inquiries Fulfilled *	58	130	696	1,560
Hotel Leads*	14	15.5	168	186
Tours Booked	12	18	144	216
Room Nights	355	355	4260	4,260

* Change in reporting results from following new DMAI guideline matrix for Tourism Sales reporting

Austin CVB Tourism Department plans to integrate a domestic travel-trade marketing strategy that combines the packaging opportunity of national tour operators, as well as the selling potential of drive market intermediaries through the implementation of a proactive and innovative initiative.

The domestic and international travel trade efforts incorporate the messages of ACVB's advertising and public relations campaigns to reposition Austin as a premier domestic and international leisure travel destination.

Goal 1: Generate increased room nights, visitation and business by group leisure travelers from domestic markets

Austin will participate at established national travel trade shows such as National Tour Association (NTA) Annual Convention and the American Bus Association (ABA) Marketplace, seeking opportunities at both shows to maximize exposure for participating partners. In addition, Austin CVB has developed online packages that generate increased visibility for the Austin product.

STRATEGIES:

- Attend 2007 NTA National Convention
- Attend 2007 American Bus Association
- TravelCom Trade Show
- Attend Travel Industry of America International POW WOW
- New York Times Trade Show
- Texas Travel Industry Association Travel Summit
- Participate in domestic sales missions
- Host site visits for individual domestic travel trade operators
- Work with tourism partners to host tour operator FAMs with NTA & ABA operators
- Develop itineraries for incentive travel, student groups and family reunions
- Develop online newsletter for travel trade clients
- Tour group online survey
- Conduct e-marketing campaign to all NTA and ABA tour operators in order to educate them on packaging Austin

Goal 2: Generate increased room nights, visitation and business by individual leisure travelers from domestic and international markets

STRATEGIES:

- Expand and maintain online travel packages
- Offer pre-fab and customized itinerary planning via ACVB website
- Continue event specific online packaging (ACL Music Fest, Wine and Food Festival, etc.)
- Arrange sales mission targeting drive market AAA offices
- Host site visits and FAMs for domestic/international travel trade
- Develop e-marketing campaign for consumer database

Goal 3: Maximize the drive market to increase leisure tourism

Work with the American Automobile Association (AAA) to capture and maximize this market. AAA remains a leader in the domestic leisure travel market. Work with receptive operators through participation as a Preferred Tour Operator of AAA, a developer of AAA Motorcoach Tours and Fly/Drive America City Packages and as the supplier of AAA Negotiated Hotel Rates.

STRATEGIES:

- Target the following AAA clubs for e-marketing campaign and consumer show participation:
 1. AAA New Mexico
 2. AAA Oklahoma
 3. AAA Colorado
 4. AAA Kansas
 5. AAA Missouri
 6. AAA Arizona
 7. AAA Nebraska
 8. AAA Louisiana
 9. AAA Carolinas
 10. AAA Arkansas
 11. AAA Mid-Atlantic
- Promote Austin packages to AAA travel agents, travel counselors and members through educational seminars
- Direct e-marketing campaign to AAA agents and counselors that educates them on selling and packaging Austin

- Work with Communications Department to promote travel packages and coupon programs through media relations, including hosting travel-trade media FAM

Goal 5: Develop and generate local support and education for and about the Austin tourism industry

STRATEGIES:

- Continued development and utilization of the Austin Tourism Council
- Increase National Tourism Week activities
- Participate in tourism related educational conferences and activities
- TTIA Unity Dinner, Travel Summit
- Legislative activities
- TACVB Education Seminars
- Texas Hospitality Training with local partners
- Continued growth and development of relationships with ABIA and airlines
- Generate opportunities for tourism partner cooperative programs

Goal 6: Generate travel and tourism related conference and meeting business leads

STRATEGIES:

- Utilize leads from travel trade related organizations (TIA, NTA, ABA, RSA and SYTA, etc.), using these memberships to access databases and create leads to prospect
- Utilize leads from other industry contacts

Goal 7: Develop new consumer promotions to increase awareness of and travel to Austin

Innovative promotions should be used in collaboration with advertising, public relations and packaging development to increase Austin's market share of the leisure visitor. Promotions often involve some level of travel discount or incentive. The following promotional concepts utilize this proven tactic, while others leverage Austin's celebrity and even proximity to larger, more popular destinations. Many of these speculative promotional ideas include built-in, consumer media potential and trade news value.

STRATEGIES:

- Work with credit card companies to develop packages to promote to leisure travelers
- Work with Airlines to increase hotel accommodations on their on-line packaging website
- Continue generating e-mail blasts to consumers for periodic information
- Continue creating itineraries to increase promotion of travel product
- Increase participation in on-line package program and coupon program

HERITAGE MARKETING

MISSION

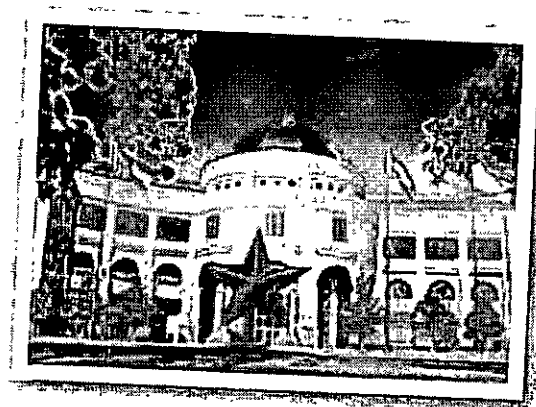
Heritage Marketing plays a vital role in the promotion of Austin's tourism efforts. The advantage of extended stays in the city allows visitors to explore and experience its distinctive culture, as well as its historical and architectural heritage.

DEPARTMENT OVERVIEW

The current programs of Heritage Marketing continue in place. However, a responsibility that is not measurable is the response to numerous inquiries about the City of Austin, from within and outside the city. These inquiries vary from questions about the capitol of Texas to O. Henry's real name.

The department administers a grants program with the recommendation of the Historic Landmark Commission in two annual cycles. This involves notification of owners of historic properties that are either owned or occupied by non-profit entities or owned by governmental agencies and open to the public. This process requires several meetings with a committee of the Landmark Commission, applicants and bureau staff. After a project is funded, verification of the work and proof of payment are required before funds are disbursed. Through April 2006, more than \$2 million had been approved for grants with a result of more than \$9 million invested in redevelopment and preservation of historic structures, which strengthen and contribute to the overall economy of Austin.

All signs within Austin's National Register Districts are under the purview of the Historic Landmark Commission.



The banners along Congress Avenue and Sixth Street National Register Districts require approval that can be administered by the Bureau or by an action of the Landmark Commission. Size specifications, colors and content are included on the applications, and the banner must promote historic preservation, culture, ethnicity or tourism.

Heritage Marketing conducts free, guided walking tours from March through November for the Congress Avenue/Sixth Street National Register Districts, the Bremond Block and the State Capitol and grounds. The department also produces and distributes a variety of collateral materials for various historic attractions.

The staff of Heritage Marketing maintains a relationship and/or membership with the following historic-related groups: Heritage Society of Austin, Austin History Center Association, Travis County Historical Commission, Presidential Corridor Association, National Trust for Historic Preservation, Friends of the Governor's Mansion, Ambassadors for Carver Museum, Historic Landmark Commission and Pioneer Farms.

MARKETING GOALS/STRATEGIES 2006-2007

	Monthly Goals 05-06	Monthly Goals 06-07	Annual Goals 05-06	Annual Goals 06-07
Walking Tour Participants	410	410	4,920	4,920
Advertising Responses	1,500	1,500	18,000	18,000
Speakers Bureau	20	20	240	240

Goal 1: Promote and expand Austin's tourism efforts with heritage as a major component to both residents and visitors in order to increase and extend visitors stays and increase bed tax revenues

STRATEGIES:

- Continue guided and self-guided walking/driving tours and provide custom tours when requested, especially for FAMs
- Distribute walking-tour flyers, brochures and other printed matter to special groups, historical entities and tour guide operators, as well as information for other destinations in the city and specifically for the Texas Travel Centers

Goal 2: Provide seed funding through the grants program for restoration and/or rehabilitation of historic sites/structures that draw tourists

STRATEGIES:

- Implementation of grant cycles
- Marketing of grants program
- Administration of grants projects

Goal 3: Create an ambiance on Austin's downtown streets (Congress Avenue and East Sixth Street) to identify and create an awareness of the historic and cultural significance of the city for visitors

STRATEGIES:

- Banner programs
- Observance of Black History Month
- Installation of Austin Landmark medallions on city-zoned historic structures

Goal 4: Increase the awareness of Austin as a premiere Texas destination for heritage tourism

STRATEGIES:

- Concentrate advertising efforts for increased and more identifiable results
- Provide various civic, governmental and non-profit groups with heritage related presentations

Goal 5: Assist in the expansion and marketing of the Austin Visitor Center

STRATEGIES:

- Provide advice and suggestions as to retail items available for tourists and visitors
- Respond to inquiries relating to historic facts about the city
- Assist in securing necessary approvals for banners, signs, permits, etc.

Goal 6: Update brochures that encourage tourism to Austin's historical attractions

STRATEGIES:

- Maintain the high standard and quality of brochures
- Establish partnerships with tourist destinations and accommodations that support ACVB

Goal 7: Expand and provide on-going training for staff

STRATEGIES:

- Attend the National Trust Annual Conference
- Attend the annual Texas Historic Preservation Conference
- Attend Travis County Historical Commission meetings
- Attend Austin Historic Landmark Commission meetings
- Attend Presidential Corridor Association meetings
- Attend meetings of the Heritage Society of Austin

Goal 8: Assist in generating new business for the Austin Convention Center

STRATEGIES:

- Generate prospecting leads for referral to Convention Sales
- Provide information to current partners to promote inquiries for Convention Sales

Goal 9: Expand existing and create new partnerships, particularly with multi-cultural markets.

STRATEGIES:

- Provide information and collateral pieces for multi-cultural groups
- Coordinate with the Heritage Society for tourism programs at Pioneer Farms

FILM MARKETING

MISSION

The Austin Film Office promotes Austin and the surrounding area as premier locations for feature film and television projects, as well as electronic and print commercials. It also helps expedite requests and assists film projects by serving as a liaison between the production companies, residents, business interests and governmental entities.

DEPARTMENT OVERVIEW

As currently structured, the film department has one full-time and one part-time employee. The Director coordinates location scouts, reviews scripts and meets regularly with industry professionals. Staff members market Austin as a film location at tradeshows and other events. The director also works with production managers on location scouts and site visits. There is regular interaction with the Marketing Communications, Convention Services, Convention Sales and Visitors Center staffs.



MARKETING GOALS/STRATEGIES 2006-2007

	Monthly Goals 05-06	Monthly Goals 06-07	Annual Goals 05-06	Annual Goals 06-07
On-line Production Leads	N/A	30	N/A	360
Production Packets	6	6	72	72
Production Starts	1	1.25	12	15
Production Days	15	16.6	180	200
Number of Commercials	2	2	24	24

Goal 1: Enhance services to filmmakers filming in Austin or considering Austin as a location for filming

STRATEGIES:

- Provide the highest quality of service to filmmakers with the intention of establishing repeat business
- Work with city departments to improve services for filmmakers
- Educate productions on costs and timesaving; utilize sales department and hotel contacts for housing
- Provide industry decision makers with a state-of-the-art online location package (Reel-Scout)
- Host a Texas Association of Film Commissions event in the spring to showcase the filming possibilities in Austin
- Attend Locations Expo tradeshow
- Co-host Austin Film Festival opening night reception
- Produce on-line version of Austin Production Guide

- Forge relationships with local vendors, production companies and ancillary businesses
- Plan event to coincide with Showbiz Expo in Los Angeles
- Co-host cast and crew screenings of local film projects
- Host a local Austin film industry appreciation event
- Place "Thank You" advertisements in major trade publications for projects made in Austin

Goal 3: Educate local community of economic benefits of film

STRATEGIES:

- Increase presentations to community groups
- Work with Marketing Communications to develop press releases and free editorial

Goal 2: Improve relations with local and national film industry partners

STRATEGIES:

- Leverage resources of Texas Association of Film Commissions to encourage film-friendly legislation, financial incentives on par with competing states and promote Austin filmmaking at events worldwide

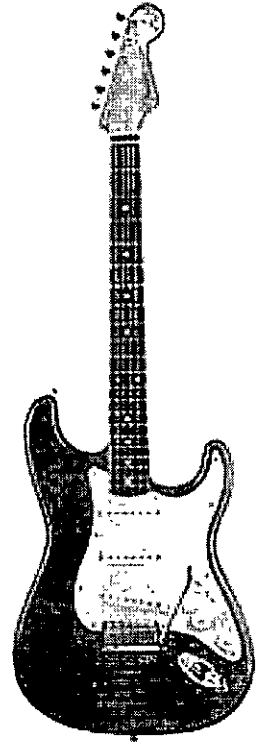
MUSIC MARKETING

MISSION

The Austin Music Office promotes Austin as the “Live Music Capital of the World.” The diversity of Austin music—blues, rock, hip-hop, Latino, jazz, classical and country—draws millions of visitors to Austin each year. Leisure and business travelers are encouraged to visit the more than 190 live music venues throughout the city and, when hosting a meeting or event, to book music utilizing the city’s 1,600 musical acts.

DEPARTMENT OVERVIEW

Austin’s success as both a business center and travel destination is greatly enhanced by its culture, which for decades has revolved around a vibrant live music scene. Capitalizing on this musically charged environment, the Music Office operates with one full-time employee. The department promotes the availability and accessibility of live music to convention and meeting event planners and markets Austin as a prime destination for music related conventions.



MARKETING GOALS/STRATEGIES

	Monthly Goals 05-06	Monthly Goals 06-07	Annual Goals 05-06	Annual Goals 06-07
Industry Contacts	50	55	600	660
Booking Assists	10	15	120	180
Sales Leads	.5	.5	6	6

Goal 1: Promote Austin as the Live Music Capital of the World to visitors

STRATEGIES:

- Conduct a concentrated marketing effort promoting Austin's diverse live music scene to leisure travelers through the promotion of music events and special cultural offerings
- Augment the Marketing Communications Department efforts by hosting journalists to increase the number of articles about Austin music in publications
- Assist Tourism Department in creating packages and tours involving music-related activities such as Austin City Limits Music Festival, Latino Music Month, Urban Music Festival and The Austin Fine Arts Festival
- Work to attract music industry meetings to Austin. Work directly with groups after they are booked to ensure successful meetings that incorporate and involve local music commission
- Produce a compilation CD of Austin music for 2007
- Enhance music information on ACVB website for visitors

Goal 2: Promote availability and accessibility of Austin music

STRATEGIES:

- Work with Convention Sales and Services departments to use music as an additional selling tool when competing with other destinations by assisting with site visits, materials and bookings for local events
- Manage the "Have You Hired a Musician Today?" program by assisting conventions,

tradeshows and local businesses with booking recommendations for live music at events

- Book music for familiarization, sales, tourism and media events

Goal 3: Work with the City of Austin on music related issues, including attending Austin Music Commission meetings and booking City Council music

STRATEGIES:

- Attend Austin Music Commission meetings and help execute goals for the music community and communicate to activities of the music office
- Book all live music for weekly City Council meetings

Goal 4: Work with community partners to strengthen the music community

STRATEGIES:

- Work with local cultural organizations, such as the Austin Latino Music Association, Diversified Arts, Pro Arts and other cultural arts groups to promote music events that bring visitors to Austin and raise the level of awareness of culturally diverse music
- Continue to partner with community and hospitality organizations such as the Downtown Austin Alliance, Austin Music Foundation, Austin Hotel Lodging Association and Austin Hospitality Association to promote the importance of the music industry to tourism
- Continue to partner with and promote the variety of arts and music organizations working to make Austin the "Live Music Capital of the World," including but not limited to Austin Lyric Opera, Austin Symphony and the Austin Chamber Music Center

VISITOR CENTER

MISSION

The mission of the Austin Visitor Center is to increase visitor volume, the length of stay and visitor spending by providing relevant visitor information, tours, retail merchandise and quality customer service. It is our goal to ensure that each individual who walks through the door receives excellent customer service, which helps to increase traffic through word of mouth as well as encourage repeat customers.

DEPARTMENT OVERVIEW

The department consists of a Director of Retail & Visitor Services, Manager of Visitor Services, Visitor Center Manager of Operations, Assistant Manager and two Information Specialists. The Director is responsible for developing marketing strategies that includes licensed product development, tours and collateral materials. The Managers help execute all marketing strategies put in place to increase revenue.

In order to quantify visitor experience the department plans to implement a survey program that tracks Visitor Center activities and services. This particular study will focus on trip characteristics and track visitor demographics.

The Visitor Center has been at its current location on Sixth Street for more than two years. As a result, retail revenue has increased by 50%. The Center met its primary revenue goal and now runs independently of ACVB funding. To continue increased retail revenue this department needs to focus on four goals:

- Measure Center's activity
- Educational community awareness
- Increase revenue
- Implement survey program



MARKETING GOALS/ STRATEGIES 2006-00

	Monthly Goals 05-06	Monthly Goals 06-07	Annual Goals 05-06	Annual Goals 06-07
Walk-in Inquiries	10,000	11,000	120,000	132,000
Call-in Inquiries	1,750	1,800	21,000	21,600
Mail/Internet Inquiries	975	1,000	11,700	12,000
Total Visitor Inquiries	10,775	12,000	129,300	144,000
Visitor Packets Sent	7,135	7,200	85,620	86,400
Retail Revenue	\$50,000	\$55,417*	\$600,000	\$665,000

* Average; retail revenue goals vary monthly

Goal 1: Implement policies and procedures to accurately measure Center's activity, performance and productivity

STRATEGIES:

- Increase number of tourism industry businesses participating in Visitor Center rack brochure program
- Track number of brochures distributed at Visitor Center
- Conduct and track local industry training sessions sponsored by VC staff

Goal 2: Increase educational community awareness

STRATEGIES:

- Attend events likely to attract area residents and provide collateral materials
- Schedule visits to identify new venues and attractions for first-hand knowledge of Austin
- Speak to community and corporate groups
- Increase cooperative marketing opportunities with local tourism industry attractions by including VC address and information on collateral materials and promotional banners of local partners such as Austin Duck Tours, Austin Bat Conservation International, Capital Cruises, etc.

Goal 3: Continue to increase revenue to offset operational expenses

STRATEGIES:

- Work with tour companies to increase ticket sales
- Solicit Austin event merchandise, i.e. ACL Fest, ROT, SXSW
- Research licensing agreements to produce ACVB merchandise
- Market Visitor Center to attract locals
- Expand volunteer program

Goal 4: Implement a program to survey walk-ins to the Visitor Center

STRATEGIES:

- Use and evaluate Visitor Center information services
- Survey trip characteristics, i.e. expenditures, purpose and length of trip, accommodations and party size
- Track visitor demographics

STAFF CONTACTS

Area codes are 512 unless otherwise noted

ADMINISTRATION

Robert Lander, President & CEO	583-7201
Roy Benear, Senior Vice-President	583-7259
Candi Diebel, Executive Assistant	583-7254
Julie Hart, Director of Finance	583-7205
Gina Palmertree, Finance Manager	583-7204
Melissa Bryan, Director of Information Technology	583-7208
Mitzi Pirkey, Information Technology Assistant	583-7211
Cindy Nale, Human Resources Manager	583-7207
Karen Case, Director of Administration	583-7202
Jennifer Foster, Receptionist	583-7203
Brandon Kingsbury, Operations Coordinator	583-7251

CONVENTION SALES

Mary Kay Hackley, Director of Sales	583-7215
Laurie Hartz, Sales Manager	583-7216
Shannon Cannon, Sales Manager	583-7214
Donna Cottle, Sales Manager	583-7217
Maurice McCloney, Sales Manager	583-7241
Alysia Tata, Sales Manager	583-7219
Allison Cooksley, Executive Meetings Manager	583-7220
Suzanne Burkard, Exec. Regional Sales Support Manager	583-7221
Lindsey Thomas, Sales Coordinator	583-7258
Susan Richardson, Sales Coordinator	583-7206
Christine Cramer, Sales Analyst & Programs Manager	583-7218
Mark Szymczak, Northeast Regional Director (Washington, DC)	703-647-7506
Meredith Parkins, Director of National Accounts (Washington, DC)	703-647-7507

SPORTS COMMISSION

Craig Jenkins, Executive Director	583-7212
Matthew Payne, Sales Manager	583-7257

CONVENTION SERVICES

Linda Atkins, Director of Convention Services	583-7222
Janice Foster, Convention Services Manager	583-7224
Rose Curran, Assoc. Housing Manager	583-7225
Kristine Davison, Convention Services Coordinator	583-7223
Jerry Esters, Convention Housing Coordinator	583-7249

MARKETING COMMUNICATIONS

Cynthia Maddox, Director of Marketing Communications	583-7209
Katie Cook, Marketing Communications Manager	583-7245
Beth Krauss, Media Relations Manager	583-7210

TOURISM SALES & MARKETING

Adriana McWilliams, Director of Tourism	583-7228
Paula Bennett, Tourism Sales Manager	583-7232
Amy Bauer, Tourism Coordinator	583-7200

STAFF CONTACTS

(CONT.)

HERITAGE MARKETING

Betty Baker, Director of Heritage Marketing	583-7226
Marian Augustine, Heritage Marketing Coordinator	583-7227
Ed Van De Vort, Tour Guide	583-7233

MUSIC AND FILM MARKETING

Gary Bond, Director of Film Marketing	583-7229
Rose Reyes, Music & Film Manager	583-7230

VISITOR INFORMATION CENTER

209 E. Sixth Street
Austin, TX 78701
866-GO-AUSTIN 478-0098

Cheri Winterrowd, Director of Retail & Visitor Services	583-7255
Suzanne Watson, Manager of Operations	583-7240
Harrison Eppright, Manager of Visitor Services	583-7237
Cynthia Trenckmann, Visitor Center Asst. Manager	583-7235
Barbara Maloney, Visitor Center Assistant	583-7235

**AGREEMENT BETWEEN THE CITY OF AUSTIN AND
AUSTIN CONVENTION AND VISITORS BUREAU**

This Agreement is entered into between the city of Austin, a Texas home-rule Municipality (the "City"), and the Austin Convention and Visitors Bureau, a Texas non-profit corporation (the "Corporation"; "ACVB") pursuant to Chapter 351 of the Texas Tax Code (as amended from time to time, the "Authorizing Legislation"). In furtherance of the purposes of the authorizing Legislation, and in consideration of the mutual covenants herein contained, the city and the Corporation hereby agree as follows:

1. Term. This Agreement shall be effective and binding upon the parties beginning on October 1, 2006, and shall remain in effect until September 30, 2011, subject to early termination as provided herein. Following this five-year term, the City may elect to extend this contract under the same terms for an additional five-year term. To exercise its option to extend the contract for an additional five-year term, the City shall notify the Corporation in writing of its intent at least ninety (90) days prior to the contract expiration date. Except as otherwise expressly provided herein, any written notice or other written communication requested or permitted to be given under this Agreement shall be delivered, or sent by United States registered or certified mail, postage prepaid, or by express carrier, to:

Austin Convention and Visitors Bureau
President and CEO
301 Congress Avenue, Suite #200
Austin, Texas 78701

unless another address is substituted by notice delivered or sent as provided herein. Except as otherwise expressly provided herein, any such notice shall be deemed given when received.

2. Statement of Work. The marketing plan approved by the City pursuant to Section 4(b) shall state the work to be performed by the Corporation with the money paid it by the City from the hotel occupancy tax (the "Work"). The Work shall be consistent with the Corporation's "Mission Statement" as follows: to market and sell Austin as a premier business and leisure destination, enriching Austin's hospitality industry and the community's overall quality of life. Any material proposed changes to the approved marketing plan must be approved in writing by the City Manager or his designee. As used herein, the term "Hotel Tax Revenue" means the money paid by the City to the Corporation from the hotel occupancy tax levied and collected by the City in accordance with the Authorizing Legislation (the "Tax Collections").

The Corporation hereby agrees to perform the Work in accordance with Chapter 351 of the Texas Tax Code and all other applicable laws and regulations, this Agreement and the applicable marketing plan and Budget, such performance to commence on October 1, 2006, ("the Commencement Date").

3. Budget, Accounting and Reports

- (a) As used herein, "Fiscal Year" means the twelve-month period beginning October 1 and ending September 30. The Corporation shall adopt said Fiscal Year as its fiscal year unless the City otherwise agrees.

No later than June 15 of each year the Corporation shall provide to the City a proposed written Budget and Marketing Plan for the Work, which shall reflect consultations between the Corporation and appropriate City staff concerning, with respect to the budget, projected available Tax Collections for the ensuing Fiscal Year, any amounts available in the reserve fund or in the Advance or Music and Film Advance funds described in Section 5(b) (i) and (ii), and estimated costs of the Work.

The City Council shall have the right to approve any budget or marketing plan. The City and the Corporation shall negotiate in good faith to reach agreement on a marketing plan or budget for a Fiscal Year by September 1 of the preceding Fiscal Year. Failure to reach an agreement shall authorize the City or the Corporation to terminate this agreement on a ninety (90) day notice.

- (b) The Work shall be conducted, and all marketing plans and budgets shall have provisions in accordance with the following requirements:
 - (i) The marketing plans shall have separate work statements for and the budgets shall separately state and account for (A) new "Class "A" Bookings" for the period commencing 18 months after the commitment date, (B) the Heritage Tourism activities, (C) the music and film activities, (D) minority marketing activities and (E) the other Work.
 - (ii) The marketing plans and the budgets shall be consistent with the required allocation of uses of Tax Collections as set forth in the Authorizing Legislation and the applicable City Ordinances, and shall identify those scheduled activities, programs or events that will directly enhance and promote tourism and the convention and hotel industry.

- (iii) The Marketing Plans shall be consistent with the policy that the primary role of the Corporation is to market space in the Austin Convention Center and related City facilities, beyond 18 months from the first day of use, with the intent to maximize hotel bed tax and use of the Austin Convention Center. Marketing of such space within 18 months of the first day of use is the primary role of the Austin Convention Center Department.
- (iv) The City Council has approved the Booking Policy for the Austin Convention Center, and shall retain the exclusive right to change the same. Pursuant to such policy the Austin Convention Center Department of the City has sole responsibility and authority for booking and contracting all events at the Austin Convention Center. The Corporation's authorized representatives shall have the ability to view and identify tentative dates. The Convention Center Department shall provide a written response for space availability after receiving a written request from the Corporation for tentative space. Should the Corporation present a written request for space over dates with an existing tentative or definite hold on space, the Convention Center shall weigh the value of the request and, when it determines that the new request would provide a greater benefit to the community, the Convention Center shall aggressively pursue the opportunity of accommodating both pieces of business and shall keep the Corporation apprised of the efforts.

As part of the Work, the Corporation shall provide, at a minimum, the following services, activities, and functions:

- (A) Market, solicit and advertise for conventions, tourism, and other gatherings to maximize use of the Austin Convention Center, commercial lodging facilities and tourism facilities consistent with the adopted marketing plan.
- (B) Provide registration, housing and information services for convention groups. Act as a liaison for the City in its relationships with the music and film industries.
- (C) Develop public awareness of the desirability, benefits and importance of the travel, music and film industries to the Austin area economy.

- (D) Market and distribute materials promoting Austin as a preferred destination city consistent with the marketing plan.
 - (E) Demonstrate the advantages the Austin area has to offer visitors from other parts of the state, the nation and the world.
 - (F) Perform all responsibilities of Heritage Tourism.
 - (G) Market and promote tourism and conventions among minority markets in accordance with performance criteria set forth in each year's Marketing Plan.
 - (H) Perform additional duties as agreed upon by both parties which are consistent with the aforementioned Mission Statement.
- (v) The marketing plan shall include, but not be limited to, a description of the proposed program of action for the Fiscal Year. It shall contain a specific numerical goal regarding the Class "A" bookings for the Austin Convention Center and quantifiable goals against which success may be measured. The marketing plan shall also include sections specifying the Corporation's plans for the minority marketing and the Heritage Tourism components of the Work. In addition, the annual budget document of the Corporation shall be presented in such a way as to associate direct costs, where applicable, to the programs presented in the marketing plan. The marketing plan shall contain convention marketing goals and convention marketing programs. In addition, the marketing plan shall include tourism, music and film marketing goals and programs. Upon approval of the marketing plan and the budget by the Austin City Council, the Corporation shall implement the plan and allocate funds within budgeted limits without further action on the part of the City.

The following criteria shall be used for goal measurement in the individual departments:

- 1. Convention Sales
 - a) Class A Rooms
 - b) Class B Rooms
 - c) Class C Rooms
 - d) Total Room nights

- e) City Wide Conventions Booked, (1500 room nights peak *is the current criteria.*)
 - f) Room nights generated through Lead Sent
 - h) Other Industry Standards
- 2. Tourism Sales
 - a. Tours Booked
 - a. Room Night Totals
 - b. Inquiries Fulfilled
 - c. Hotel Leads
 - d. Other Industry Standards
 - 3. Marketing Communications
 - a. Releases/Advisories
 - b. Media Contacts
 - c. Dollar Impact of Media
 - d. Other Industry Standards
 - 4. Convention Services
 - a. Meetings Serviced
 - b. Housing Assigned
 - c. Registration Hours
 - d. Other Industry Standards
 - 5. Development Department
 - a. Cash Contracts
 - b. Program Revenue
 - c. In-Kind Services
 - d. Convention Sales Leads
 - 6. Heritage Marketing
 - a. Walking Tour Participants
 - b. Advertising Responses
 - 7. Music Marketing
 - a. Booking Assists
 - b. Industry Contacts
 - 8. Film Office
 - a. Housing Leads
 - b. Production Packets
 - c. Scouts
 - d. Other Industry Standards

9. Visitor Information Center
 - a. Visitor Guide Requests
 - b. Downtown Visitors
 - c. Phone Calls
 - d. (In Marketing)
 - e. (In Marketing)
 - d. Retail Revenue
 - h. Other Industry Standards

All requests by the Corporation to the City for funds, services or other items of value shall be directed in writing for approval to the City Manager or Assistant City Manager.

- (ii) The Corporation acknowledges that the City Council has adopted as a logo and motto "Austin, the Live Music Capital of the World" which may be used on Corporation stationery, bulletins, displays, posters and media and press releases. The Corporation is authorized to use any trade or service marks of the City in connection with its performance of the Work. Promotional material should contain the logo "Austin, the Live Music Capital of the World" and the Corporation can use any additional logo adopted by its Board of Directors.
- (c) It is the intention of the City and the Corporation that the budgets for the Work reflect the amount of Tax Collections available for the Work and that Tax Collections equal to 1.45 cents for each dollar of hotel revenue that is taxable and collected under the Authorizing Legislation and Article I, Chapter 5-3 of the City Code, be available for the Work. If during a Fiscal Year Tax Collections vary more than ten percent from the expectations on which the applicable budget is based, the Corporation shall send the Contract Administrator written notice of how the Corporation proposes to adjust its budget accordingly. If the Administrator agrees with the proposed adjustments, the Corporation shall affect them as soon as practicable. If the Administrator does not agree with the proposed adjustments, he or she shall propose other adjustments to the work plan. The City Manager or his/her designee will resolve disputed adjustments to the work plan, and the Corporation will effect as soon as practicable the adjustments as resolved. It is not intended that the scope of Work should be decreased if there are adequate funds available in the reserve fund or in the Advance or the Music and Film Advance established in Section 5 to continue to pay for the Work; provided, however, that once the available Tax Collections and any available money in such reserve funds have been spent, then no further money shall be available or paid by the City.

- (d) The Corporation shall maintain complete and accurate books and records of its activities and finances, which the City may audit at any time upon reasonable notice. Financial records shall be maintained on a regular basis in accordance with generally accepted accounting principles, subject to any variations there from as are required by State law or are agreed to in writing by the City. Specifically, the Corporation shall account separately for the Hotel Tax Revenue, and any other funds provided it by the City, and shall account separately for the receipts and expenditures related to each of the following activities; (A) the Corporation, (B) the Convention Center, (C) Heritage Tourism, (D) film and music, and (E) other Work. On request of the City, the Corporation shall make the records relating to the handling and expenditure of Hotel Tax Revenue and other City payments available to the City or any other person designated by the City.
- (e) The Corporation shall engage an independent firm of certified public accountants to audit its annual financial statements and shall deliver to the City Financial Services Department a copy of its audited annual financial statements, consisting of a balance sheet, an income statement, a statement of cash flows, and notes to the financial statements, no later than 120 days after the end of each Fiscal Year. The engagement letter from the independent firm of certified public accountants shall contain a statement that the Corporation shall receive a copy of all audit workpapers produced either by the client or the firm during the annual audit of the financial statements. The notes to the audited annual financial statements shall contain a detailed breakdown of revenues by source and expenditures by category. In addition to the audited annual financial statements, the Corporation shall at the same time deliver a copy of all audit workpapers that underlie the audited annual financial statements.
- (f) Within 30 days after the end of each quarter in the Fiscal Year, the Corporation shall deliver to the Austin Convention Center Department a (i) written report of its expenditures relating to the Work and (ii) unaudited financial statements for the quarter just ended, including at a minimum a balance sheet and an income statement. Within 45 days after the end of each quarter in the Fiscal year, the Corporation shall conduct an open public meeting (on at least three (3) days advance published notice) to present the financial report for the quarter just ended and obtain public input on it and the Work.
- (g) The Corporation will provide the City with monthly reports containing detailed information on performance of the Work, including performance reports listing all groups and/or events added to the Austin Convention Center Department schedule in that period with accompanying information such as names, dates booked, estimated attendance, estimated room nights, new or repeat business, and the initial contact date and the lead source. The Corporation shall also provide City with any reports or

documentation required by federal or state law, as such laws may be amended from time to time during the term of this Agreement.

4. Payments by the City.

(a) In addition to any particular limitations and conditions that may be specifically stated herein, all obligations of the City hereunder are subject to annual appropriation by the City for this Agreement from proceeds of the hotel occupancy tax that are available to pay for the Work under this Agreement, and further subject to the ability of the City to collect such tax proceeds. This Agreement imposes no obligation upon the City to levy and collect such tax. The City does agree that, subject to adequate appropriations and collections, the City will utilize the portion of the Tax Collections described in Section 4(d) to pay for Work performed by the Corporation in accordance with the budget approved by the City pursuant to Section 4(b).

(b) (i) The parties agree that Corporation may retain, during the initial term of this Agreement, \$397,168.00 of the advance payment that was made to Corporation by City at the commencement of the agreement entered into between the parties in 1996 ("Advance"). This Advance need not be applied as a credit on future invoices until the September 2011 invoice or, if the Agreement is terminated for any reason prior to September 2011, it shall be applied as a credit to the City against the final invoice from the Corporation. The Advance shall be treated as an advance from the City to enable the Corporation to pay payroll, rent, and other costs for services under this Agreement, excluding payments for those certain music and film activities described in subparagraph (ii) below, prior to reimbursement by the City for such expenditures. Corporation shall pay to City any funds remaining in the Advance, after the above-described credit is made, no later than sixty (60) calendar days following the effective date of termination of this Agreement. Commencing in November 2006, the City shall pay to the Corporation monthly in arrears from Hotel Tax Revenue appropriated for this Agreement the amounts invoiced by the Corporation for actual unpaid expenses incurred during the preceding month in performing the Work, not to exceed the monthly amounts budgeted for such Work in the approved budget including applicable overages. Each invoice shall show the month-end balance of the Advance, and shall specify all expenditures made by Corporation during the preceding month, with appropriate back-up documentation. If the Corporation submits a conforming invoice by the third business day of the month following the month in which the Work was performed, the City shall pay the invoiced amount on or before the 15th day of the month in which the invoice was submitted.

The parties agree, however, that if an invoice is incomplete or does not contain adequate information, the City may request additional information from the Corporation within ten (10) working days after receipt of the invoice, and City's payment deadline shall be extended to five (5) working days following receipt of such additional information. Prior to expending Hotel Tax Revenue, the Corporation shall hold the same in a segregated account not commingled with any other funds, and invested and collateralized as required from time to time by the City's Department of Financial Services. Hotel Tax Revenue shall be spent solely to perform the Work and to fund compliance with this Agreement, including the preparation of reports and financial statements, and the auditing of the latter.

(ii) The parties agree that the Corporation may retain, during the initial term of this Agreement, \$15,211 of the advance payment that was made to Corporation by City at the commencement of the agreement entered into between the parties in 1996 ("Music and Film Advance"). This Music and Film Advance need not be applied as a credit on future invoices until the September 2011 invoice or, if the Agreement is terminated for any reason prior to September 2011, it shall be applied as a credit to the City against the final invoice from the Corporation. Corporation shall pay to City any funds remaining in the Music and Film Advance, after the above-described credit is made, no later than sixty (60) calendar days following the effective date of termination of this Agreement. These funds shall be treated as an advance from the City to enable the Corporation to pay costs for a portion of the music and film services under this Agreement prior to reimbursement by the City for such expenditures. Commencing in November 2011, the City shall pay to the Corporation, monthly in arrears, from funds lawfully appropriated for this Agreement and for music and film activities, the amounts invoiced by the Corporation for the actual unpaid expenses incurred during the preceding month in performing such music and film activities, not to exceed the monthly amounts budgeted for such activities in the approved Budget. Each invoice shall show the month-end balance of the Music and Film Advance, and shall specify all expenditures made by Corporation for music and film activities during the preceding month, along with appropriate back-up documentation. If the Corporation submits a conforming invoice by the third business day of the month following the month in which such services were performed, the City shall pay the invoiced amount on or before the 15th day of the month in which the invoice was submitted. The parties agree, however, that if an invoice is incomplete or does not contain adequate information, the City may request additional information from the Corporation within ten (10) working days after receipt of the invoice, and City's payment deadline shall be extended to five (5) working days following receipt

of such additional information. The Corporation shall account for and otherwise deal with such money as if it were Hotel Tax Revenue.

(iii) During the term of this contract the Corporation shall use the general funds transferred under its approved budget only for funding 3 Full Time Equivalent (FTE) positions and related services for music and film. So long as the Council provides adequate general funds, the Corporation shall continue to provide the necessary 3 FTE's, including all related employment benefits and taxes, and related services for music and film.

(c) The Corporation is an independent entity, and the relationship between the Corporation and City is and shall remain that of independent contractors. The City is not and shall not be liable for any of the Corporation's debts or obligations, including any operating deficit that may arise. The Corporation shall not hold itself out as an agent of the City, nor in any way purport to bind the City with respect to any contract or other obligation. The Corporation shall defend, indemnify and hold the City harmless against any cost, claim, expense, liability, award or judgment ("Claim") arising in whole or in part out of, or alleged to arise in whole or in part out of the operations or activities of the Corporation. The City may set-off and apply against any such Claim (or against the city's cost of defending against any such Claim) any amount the City owes the Corporation. The Corporation shall carry insurance in the following types and amounts for the duration of this Agreement and, prior to the Commencement Date, shall furnish the City's Purchasing Director with Certificates of Insurance along with copies of policy declaration pages and all policy endorsements as evidence thereof:

- (i) Statutory Workers' Compensation and Employers' Liability coverage with minimum policy limits for Employers' Liability of \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit, and \$100,000 bodily injury by disease each employee;
- (ii) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of \$1,000,000. The policy shall provide contractual liability coverage for liability assumed under this contract, products and completed operations coverage and independent contractors coverage;
- (iii) Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a limit of \$500,000 per occurrence for bodily injury and property damage liability;

- (iv) Directors and Officers coverage with a minimum of not less than \$1,000,000 per claim shall be in place for protection from claims arising out of negligent acts, errors or omissions for directors and officers while acting in their capacities as such; and
- (v) Commercial Crime Insurance for all losses emanating from handling of checks or cash including but not limited to losses resulting from dishonest or criminal acts, fraud, embezzlement, forgery, misappropriation or loss of funds and errors in the processing or reporting of funds. This policy shall be written for a minimum limit of \$250,000.

If coverage is written on a claims-made basis, the coverage, including renewals, shall have a retroactive date coincident with or prior to the date of this Agreement, and the certificate of insurance shall state that coverage is claims-made and the retroactive date. This coverage shall be continuous for not less than 24 months following completion of services under this Agreement. The Corporation shall provide that all provisions of this Agreement concerning liability, duty, and standard of care, together with the indemnification or defense provisions herein, shall be underwritten by contractual coverage sufficient to include such obligations within applicable policies. The Corporation shall not commence work under this Agreement until it has obtained all required insurance and until the Purchasing Office of the City of Austin has reviewed such insurance coverage. The required insurance shall be written by a company licensed to do business in the State of Texas at the time the policy is issued. In any event, the Company must be rated by A.M. Best at B+VII or better and acceptable to the City. The Corporation shall produce an endorsement to each affected liability policy that: (A) names the City as an additional insured (except workers' compensation), with right of subrogation against the City, waived, and (B) obligates the insurance company to notify the City at the following address, of any non-renewal, cancellation or material change to the policy, at least thirty (30) calendar days before the change or cancellation.

City of Austin
Director – Austin Convention Center Department
City of Austin
P.O. Box 1088
Austin, TX 78767

The Corporation shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of this Agreement or the twenty-four-month period following completion, in the case of a claims-made policy.

The City reserves the right to review the insurance requirements of this section during the effective period of this Agreement and to make reasonable adjustments to insurance coverage, their limits when deemed necessary, based upon changes in statutory law, court decisions or the claims history of the industry or financial condition of the insurance company, as well as that of the Corporation. The City shall be entitled, upon request, and without expense to the City, to receive copies of the requisite insurance policies and all endorsements thereto and may make any reasonable requests for deletion or revisions or modification of particular policy terms, conditions, limitations, or exclusions. (Except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter on any of such policies.)

- (d) During each Fiscal year, any portion of the Tax Collections that is allocable to the Work and is not needed to pay the Corporation pursuant to the applicable budget shall accrue to the ending balance of the reserve fund. The City and the Corporation shall review the amount of the reserve fund each year and the City shall determine the disposition of the money in the reserve fund in connection with the City's review of its budget and of the Corporation's budget.

5. Other Requirements

- (a) The Corporation's Treasurer and Assistant Treasurer, if any, shall be bonded at a minimum of \$100,000.00 each.

For purposes of this Agreement and the Corporation's Bylaws, the City agrees that the term "competitive strategy" shall mean: selling Austin strengths against competitors' weaknesses, developing and/or negotiating sponsorship and contribution agreements, competition for tourism special events, promotional/seasonal packaging and programs, and introduction of a new advertising campaign.

Except as provided in the Corporation's Bylaws, articles of incorporation or in this Agreement, the Corporation may conduct its affairs and engage in such other activities as it deems appropriate, so long as such actions (i) are consistent with its purposes as stated in this Agreement and in its articles of incorporation, (ii) comply with applicable laws, and (iii) do not impair its ability to carry out its duties under this Agreement. In addition, the Corporation agrees that, with regard to public access to meetings of the Board of Directors, the Corporation will comply with Section 2.7 of its bylaws and with any applicable laws.

6. Early Termination

Either party may terminate this Agreement by written notice to the other party if such other party breaches any of its obligations hereunder and does not cure such breach within 30 days after receiving written demand from the other party specifying the breach in question and demanding that it be cured. Such right to terminate this Agreement shall be without prejudice to the other legal and equitable rights of the parties.

7. Cooperation

Upon expiration or termination hereof for any reason, the Corporation shall cooperate with the City to ensure a smooth transition and completion of the Work. Without limiting the generality of the foregoing, the Corporation shall promptly, but not more than sixty (60) days following termination, turn over to the City without charge all unspent Hotel Tax Revenue as well as all other City contributed revenues funds, including the balance of reserve fund, the Advance and the Music and Film Advance Fund, and all property purchased with Hotel Tax Revenue or City provided funds and, upon request, shall assign to the City all contracts, rights and claims relating to the Work. Termination of this Agreement shall not impair the rights of the City under state law, the articles of incorporation or bylaws of the Corporation or under any other contract between the City and the Corporation.

8. Contract Administration

This Agreement shall be administered by the City through its Convention Center Department, and all communications from the Corporation to the City concerning this Agreement and the Work shall be directed to the Director of such Department, unless otherwise specified herein or in the Corporation's bylaws. The Corporation shall deliver to such Director simultaneously a copy of any notice required by this Agreement or such bylaws to be delivered to another City official.

9. Miscellaneous

This Agreement may not be amended without the written consent of the parties hereto. This Agreement is for the benefit of the City and the Corporation only and no other party may seek to enforce it or assert any rights under it. The Corporation may not assign this Agreement without the prior written consent of the City. Delay by a party in enforcing, or failure by such party to enforce, a right under this Agreement shall not be deemed a waiver of the same. A waiver of party's rights shall be effective only if in writing and shall be limited to the single event or occurrence specified. This Agreement may be executed in one or more counterparts. This Agreement, including its exhibits, attachments, and applicable City-approved Marketing Plans and Budgets, represents the entire agreement between the parties regarding the subject matter hereof, and there are no other representations, understandings, or agreements between the parties relative to such subject matter.

10. Articles of Incorporation/Bylaws.

The City shall have the right to approve any proposed changes to the Corporation's Articles of Incorporation or Bylaws.

IN WITNESS WHEREOF, The City of Austin and the Austin Convention and Visitors Bureau have caused this Agreement to be executed and delivered by their duly authorized representatives as of the dates specified below:

CITY OF AUSTIN, a Texas home-rule
municipality

By: _____

Name: _____

Title: _____

Date: _____

AUSTIN CONVENTION AND VISITORS
BUREAU, a Texas non-profit corporation

By: _____

Name: _____

Title: _____

Date: _____

AUSTIN CONVENTION & VISITORS BUREAU

Amended Proposed Budget 2006-2007

REVENUE	Proposed 2007	CYE FY2006	Amended FY2006
City Contract - Fiscal Year 2006/07 Bed Tax & General Fund Allocation	6,750,040	5,398,480	5,398,480
Retail Revenue	665,000	600,000	600,000
Publication Sales	22,000	22,000	22,000
Rack Rental	30,000	25,000	25,000
Assessment Fees	12,000	12,000	12,000
Promotional Participation	225,000	123,750	123,750
Services Billed	171,116	116,250	116,250
Donated Services	272,000	215,000	215,000
Interest Income	6,000	4,200	4,200
Other Income	6,000	-	-
TOTAL REVENUE	8,159,156	6,516,680	6,516,680
EXPENSES			
Convention Sales & Services	4,157,258	2,836,607	2,836,607
Marketing	1,824,358	1,646,760	1,646,760
Finance/Administration/IT	911,709	1,123,627	1,123,627
Music & Film	267,517	211,904	211,904
Visitor Center	748,314	697,782	697,782
Reserve Fund Replenishment	250,000	-	-
TOTAL EXPENSES	8,159,156	6,516,680	6,516,680
CHANGE IN NET ASSETS			

Tourism and Promotion Fund — 2006-07

Purpose and Nature of Fund

The Tourism and Promotion Fund is a special revenue fund that receives 1.45 cents of the 9.0 cent Hotel Occupancy Tax to promote conventions and tourism for Austin. Of the 1.45 cents, up to .25 cents must be used for heritage tourism as mandated by City Ordinance

Factors Affecting Funding

The allocation of bed tax receipts to the Tourism and Promotion Fund for FY 2006-07 is \$5.8 million. This funding is 20.1 percent higher than the FY 2005-06 Amended Budget and 2.0 percent higher than estimated receipts for FY 2005-06. The increase is based on higher hotel occupancy rates and average room rate charges. Additional revenue sources for the Tourism and Promotion Fund include interest earnings, budgeted at \$11,326, and a General Fund transfer of \$125,382.

Factors Affecting Requirements

The total requirements are \$6.8 million, which is 25 percent higher than the FY 2005-06 Amended Budget. Tourism and promotion activities are performed by the Austin Convention and Visitors Bureau (ACVB) through a contract with the City. Payments to ACVB will be made based on actual quarterly collections and may therefore be more or less than the amount shown in the fund summary for tourism and promotion contracts.

	2004-05 Actual	2005-06 Amended	2005-06 Estimated	2006-07 Proposed
Revenue	\$5,257	\$4,000	\$11,326	\$11,326
Transfers In	\$4,979,939	\$4,918,590	\$5,766,172	\$5,883,806
Requirements	\$4,534,255	\$5,398,480	\$5,398,480	\$6,750,040

TOURISM AND PROMOTION FUND

	2004-05 ACTUAL	2005-06 AMENDED	2005-06 ESTIMATED	2006-07 PROPOSED
BEGINNING BALANCE	<u>24,949</u>	<u>475,890</u>	<u>475,890</u>	<u>854,908</u>
REVENUE				
Miscellaneous	466	0	0	0
Interest on Investments	<u>4,791</u>	<u>4,000</u>	<u>11,326</u>	<u>11,326</u>
TOTAL REVENUE	<u>5,257</u>	<u>4,000</u>	<u>11,326</u>	<u>11,326</u>
TRANSFERS IN				
Hotel/Motel Occ Tax Revenue	4,854,557	4,793,208	5,640,790	5,758,424
General Fund	<u>125,382</u>	<u>125,382</u>	<u>125,382</u>	<u>125,382</u>
TOTAL TRANSFERS IN	<u>4,979,939</u>	<u>4,918,590</u>	<u>5,766,172</u>	<u>5,883,806</u>
TOTAL AVAILABLE FUNDS	<u>4,985,196</u>	<u>4,922,590</u>	<u>5,777,498</u>	<u>5,895,132</u>
EXPENSES				
Tourism and Promotion Contracts	4,534,255	5,398,480	5,398,480	6,750,040
TOTAL EXPENSES	<u>4,534,255</u>	<u>5,398,480</u>	<u>5,398,480</u>	<u>6,750,040</u>
TOTAL REQUIREMENTS	<u>4,534,255</u>	<u>5,398,480</u>	<u>5,398,480</u>	<u>6,750,040</u>
EXCESS (DEFICIENCY) OF AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	<u>450,941</u>	<u>(475,890)</u>	<u>379,018</u>	<u>(854,908)</u>
ENDING BALANCE	<u>475,890</u>	<u>0</u>	<u>854,908</u>	<u>0</u>